

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Major federal financial assistance programs include any program for which federal expenditures for that program exceed 3% of total federal expenditures of all federal programs. The major federal financial assistance programs are:

Title I	CFDA# 84.010
Special Education	CFDA# 84.027
School Breakfast Program	CFDA# 10.553
National School Lunch Program	CFDA# 10.555
Impact Aid	CFDA# 84.041
Head Start	CFDA# 93.600
Rural Development Grants	CFDA# 10.769
Special Statutory Grant for Construction of Fort Polk Elementary School	CFDA# NONE

NOTE 6 - NONCASH PROGRAMS

The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-16

*****FOOD PROCESSING CENTERS*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Other	\$ 14,470	\$ 13,985	\$ (485)
Total Revenues	\$ 14,470	\$ 13,985	\$ (485)
EXPENDITURES			
Current:			
Support services:			
General administration	\$ 11,997	\$ 11,999	\$ (2)
Total Expenditures	\$ 11,997	\$ 11,999	\$ (2)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 2,473	\$ 1,986	\$ (487)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 0	\$ 487	\$ 487
Operating transfers out	(25)	(26)	(1)
Total Other Financing Sources (Uses)	\$ (25)	\$ 461	\$ 486
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 2,448	\$ 2,447	\$ (1)
FUND BALANCE AT BEGINNING OF YEAR	1,046	1,046	0
FUND BALANCE AT END OF YEAR	\$ 3,494	\$ 3,493	\$ (1)

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
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Schedule 3-3

*****BILINGUAL EDUCATION - TITLE VII*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 78,602	\$ 78,602	\$ 0
Total Revenues	\$ 78,602	\$ 78,602	\$ 0
EXPENDITURES			
Current:			
Instruction:			
Support services:			
Instructional staff support	\$ 572	\$ 572	\$ 0
Total Expenditures	\$ 572	\$ 572	\$ 0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 78,030	\$ 78,030	\$ 0
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 572	\$ 572	\$ 0
Operating transfers out	(78,602)	(78,602)	0
Total Other Financing Sources (Uses)	\$ (78,030)	\$ (78,030)	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0
FUND BALANCE AT BEGINNING OF YEAR	87	0	(87)
FUND BALANCE AT END OF YEAR	\$ 87	\$ 0	\$ (87)

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
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Schedule 3-4

*****MATH AND SCIENCE - TITLE II*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 42,504	\$ 42,505	\$ 1
 Total Revenues	\$ 42,504	\$ 42,505	\$ 1
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 34,471	\$ 34,471	\$ 0
Special programs	7,037	7,038	(1)
Support services:			
General administration	995	996	(1)
 Total Expenditures	\$ 42,503	\$ 42,505	\$ (2)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1	\$ 0	(1)
 FUND BALANCE AT BEGINNING OF YEAR	0	0	0
 FUND BALANCE AT END OF YEAR	\$ 1	\$ 0	(1)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
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Schedule 3-5

*****SCHOOL FOOD SERVICE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 8,291	\$ 8,291	\$ 0
Food services	749,594	743,812	(5,782)
Federal sources	<u>2,023,253</u>	<u>2,023,261</u>	<u>8</u>
 Total Revenues	 <u>\$ 2,781,138</u>	 <u>\$ 2,775,364</u>	 <u>\$ (5,774)</u>
 EXPENDITURES			
Current:			
Support services:			
Business services	\$ 22,976	\$ 22,978	\$ (2)
Plant services	2,086	2,086	0
Food services	<u>3,508,731</u>	<u>3,508,851</u>	<u>(120)</u>
 Total Expenditures	 <u>\$ 3,533,793</u>	 <u>\$ 3,533,915</u>	 <u>\$ (122)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ (752,655)</u>	 <u>\$ (758,551)</u>	 <u>\$ (5,896)</u>
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	<u>\$ 1,006,116</u>	<u>\$ 1,006,123</u>	<u>\$ 7</u>
 Total Other Financing Sources (Uses)	 <u>\$ 1,006,116</u>	 <u>\$ 1,006,123</u>	 <u>\$ 7</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 <u>\$ 253,461</u>	 <u>\$ 247,572</u>	 <u>\$ (5,889)</u>
 FUND BALANCE AT BEGINNING OF YEAR	 <u>64,954</u>	 <u>115,985</u>	 <u>51,031</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 318,415</u>	 <u>\$ 363,557</u>	 <u>\$ 45,142</u>

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
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Schedule 3-6

*****SALES TAX*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Other	\$ 166,460	\$ 166,460	\$ 0
Total Revenues	\$ 166,460	\$ 166,460	\$ 0
EXPENDITURES			
Current:			
Support services:			
General administration	\$ 54,311	\$ 54,313	\$ (2)
Business services	5,326	5,328	(2)
Plant services	2,802	2,803	(1)
Central services	16,687	16,687	0
Total Expenditures	\$ 79,126	\$ 79,131	\$ (5)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 87,334	\$ 87,329	\$ (5)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 943	\$ 943	\$ 0
Operating transfers out	(90,943)	(90,943)	0
Total Other Financing Sources (Uses)	\$ (90,000)	\$ (90,000)	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (2,666)	\$ (2,671)	\$ (5)
FUND BALANCE AT BEGINNING OF YEAR	35,440	35,441	1
FUND BALANCE AT END OF YEAR	\$ 32,774	\$ 32,770	\$ (4)

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
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Schedule 3-7

*****HEAD START*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 1,120,550	\$ 1,120,585	\$ 35
Total Revenues	\$ 1,120,550	\$ 1,120,585	\$ 35
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 35,006	\$ 35,008	\$ (2)
Special programs	842,345	842,350	(5)
Support services:			
Instructional staff support	110,324	110,328	(4)
General administration	21,748	21,749	(1)
Plant services	456	456	0
Student transportation services	5,649	5,652	(3)
Facilities acquisition and construction	105,042	105,042	0
Total Expenditures	\$ 1,120,570	\$ 1,120,585	\$ (15)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (20)	\$ 0	20
FUND BALANCE AT BEGINNING OF YEAR	14,414	0	(14,414)
FUND BALANCE AT END OF YEAR	\$ 14,394	\$ 0	\$ (14,394)

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
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Schedule 3-8

*****PRESCHOOL*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 144,050	\$ 143,106	\$ (944)
 Total Revenues	<u>\$ 144,050</u>	<u>\$ 143,106</u>	<u>\$ (944)</u>
 EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 121,292	\$ 120,365	\$ 927
Support services:			
Instructional staff support	19,609	19,613	(4)
General administration	2,797	2,798	(1)
Business services	248	248	0
Student transportation services	81	82	(1)
 Total Expenditures	<u>\$ 144,027</u>	<u>\$ 143,106</u>	<u>\$ 921</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 23</u>	<u>\$ 0</u>	<u>\$ (23)</u>
 FUND BALANCE AT BEGINNING OF YEAR	<u>(19)</u>	<u>0</u>	<u>19</u>
 FUND BALANCE AT END OF YEAR	<u>\$ 4</u>	<u>\$ 0</u>	<u>\$ (4)</u>

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
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Schedule 3-9

*****OTHER SPECIAL FUNDS*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 30,899	\$ 30,902	\$ 3
Total Revenues	\$ 30,899	\$ 30,902	\$ 3
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 6,429	\$ 4,001	\$ 2,428
Special programs	9,369	9,371	(2)
Other instructional programs	6,530	6,475	55
Support services:			
School administration	2,732	2,733	(1)
Plant services	262	262	0
Total Expenditures	\$ 25,322	\$ 22,842	\$ 2,480
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 5,577	\$ 8,060	\$ 2,483
OTHER FINANCING SOURCES (USES)			
Other uses	\$ (72)	\$ (73)	\$ (1)
Total Other Financing Sources (Uses)	\$ (72)	\$ (73)	\$ (1)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 5,505	\$ 7,987	\$ 2,482
FUND BALANCE AT BEGINNING OF YEAR	4,412	1,985	(2,427)
FUND BALANCE AT END OF YEAR	\$ 9,917	\$ 9,972	\$ 55

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
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Schedule 3-10

*****JOB TRAINING PARTNERSHIP ACT (JTPA)*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 28,014	\$ 27,585	\$ (429)
Total Revenues	\$ 28,014	\$ 27,585	\$ (429)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 17,882	\$ 17,453	\$ 429
Other instructional programs	10,131	10,132	(1)
Total Expenditures	\$ 28,013	\$ 27,585	\$ 428
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1	\$ 0	(1)
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 1	\$ 0	(1)

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Schedule 3-12

*****DRUG FREE SCHOOLS*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 44,394	\$ 44,397	\$ 3
Total Revenues	\$ 44,394	\$ 44,397	\$ 3
EXPENDITURES			
Current:			
Support services:			
Student services	\$ 43,387	\$ 43,390	\$ (3)
General administration	1,006	1,007	(1)
Total Expenditures	\$ 44,393	\$ 44,397	\$ (4)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1	\$ 0	(1)
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 1	\$ 0	(1)

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
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Schedule 3-13

*****ADULT EDUCATION*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State sources: Other	\$ 93,759	\$ 93,353	\$ (406)
Federal sources	90,598	90,599	1
	<u>\$ 184,357</u>	<u>\$ 183,952</u>	<u>\$ (405)</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	\$ 108,619	\$ 109,167	\$ (548)
Support services:			
Instructional staff support	70,450	70,451	(1)
General administration	2,208	2,208	0
School administration	0	0	0
Plant services	2,670	2,671	(1)
	<u>\$ 183,947</u>	<u>\$ 184,497</u>	<u>\$ (550)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 410</u>	<u>\$ (545)</u>	<u>\$ (955)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 545	\$ 545	\$ 0
	<u>\$ 545</u>	<u>\$ 545</u>	<u>\$ 0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 955</u>	<u>\$ 0</u>	<u>\$ 955</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>(955)</u>	<u>0</u>	<u>(955)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 20 - RISK MANAGEMENT (Continued)

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Ending of Fiscal Year Liability</u>
Health Insurance:				
1994-1995	\$977,779	\$3,404,438	\$3,708,567	\$673,650
1995-1996	673,650	-	673,650	-
Workers' Compensation:				
1994-1995	\$ 2,318	\$ 390,190	\$ 386,407	\$ 6,101
1995-1996	6,101	236,303	236,682	5,722

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 21 - BUDGET/GAAP RECONCILIATION

The following schedule reconciles the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance — Budget to Actual to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances:

	<u>General Fund</u>	<u>Special Revenue</u>
Fund balances (budget)	\$(340,046)	\$ 1,222,211
State sources: Equalization	459,101	(459,101)
Expenditures		
General administration	(207,562)	-
Transportation	-	(72,023)
Other financing sources (uses)		
Operating transfers out	(459,101)	459,101
Capital leases	<u>-</u>	<u>72,023</u>
Fund balances (GAAP)	<u>\$(547,608)</u>	<u>\$ 1,222,211</u>

All budget/GAAP reporting differences are a result of classification except for (1) the purchase of school buses which the adopted budget reflected the first-year cash payment only, rather than the present value of all future capital lease payments and (2) the accrual of compensated absences for vacation leave.

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SPECIAL REVENUE FUND
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Schedule 3-15

*****SPECIAL EDUCATION*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 341,929	\$ 341,942	\$ 13
 Total Revenues	<u>\$ 341,929</u>	<u>\$ 341,942</u>	<u>\$ 13</u>
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 149,838	\$ 149,843	(5)
Other instructional programs	101	101	0
Support services:			
Student services	30,589	30,591	(2)
Instructional staff support	139,247	139,252	(5)
General administration	9,738	9,739	(1)
Business services	4,374	4,374	0
Plant services	7,769	7,772	(3)
Student transportation services	270	270	0
 Total Expenditures	<u>\$ 341,926</u>	<u>\$ 341,942</u>	<u>\$ (16)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ 3	 \$ 0	 \$ (3)
 FUND BALANCE AT BEGINNING OF YEAR	 <u>0</u>	 <u>0</u>	 <u>0</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 3</u>	 <u>\$ 0</u>	 <u>\$ (3)</u>

Schedule 2

	WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$	0	0	26	56,676	0	632,453
	0	0	0	0	0	(170,058)
	0	2,403	0	0	0	3,720
	0	0	0	0	0	72,023
	0	0	0	0	0	(170)
\$	0	2,403	26	56,676	0	537,968
\$	9,056	(18,061)	(108,959)	(22,147)	(26,347)	(15,127)
	151,448	62,072	385,599	93,134	29,007	1,237,338
\$	160,504	44,011	276,640	70,987	2,660	1,222,211

(CONCLUDED)

VERNON PARISH SCHOOL BOARD
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SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
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Schedule 3-17

*****WARD 1 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 379,302	\$ 379,303	\$ 1
Interest earnings	35,137	35,138	1
State sources: Other	73,581	73,582	1
 Total Revenues	 \$ 488,020	 \$ 488,023	 \$ 3
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 28,747	\$ 28,749	\$ (2)
Other instructional programs	44,239	44,242	(3)
Support services:			
Student services	3,553	3,553	0
General administration	12,406	12,407	(1)
School administration	61,529	61,531	(2)
Plant services	319,956	319,960	(4)
Student transportation services	39,314	39,316	(2)
Facilities acquisition and construction	81,034	81,036	(2)
 Total Expenditures	 \$ 590,778	 \$ 590,794	 \$ (16)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (102,758)	 \$ (102,771)	 \$ (13)
 FUND BALANCE AT BEGINNING OF YEAR	 285,191	 285,192	 1
 FUND BALANCE AT END OF YEAR	 \$ 182,433	 \$ 182,421	 \$ (12)

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Schedule 3-18

*****WARD 2 - ORANGE MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 39,692	\$ 39,693	\$ 1
Interest earnings	565	564	(1)
State sources: Other	<u>25,219</u>	<u>25,219</u>	<u>0</u>
 Total Revenues	 <u>\$ 65,476</u>	 <u>\$ 65,476</u>	 <u>\$ 0</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 4,480	\$ 4,480	\$ 0
Other instructional programs	7,548	7,548	0
Support services:			
Student services	490	490	0
General administration	1,289	1,289	0
School administration	250	250	0
Plant services	37,288	37,288	0
Student transportation services	<u>16,265</u>	<u>16,265</u>	<u>0</u>
 Total Expenditures	 <u>\$ 67,610</u>	 <u>\$ 67,610</u>	 <u>\$ 0</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ (2,134)</u>	 <u>\$ (2,134)</u>	 <u>\$ 0</u>
 FUND BALANCE AT BEGINNING OF YEAR	 <u>30,124</u>	 <u>30,124</u>	 <u>0</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 27,990</u>	 <u>\$ 27,990</u>	 <u>\$ 0</u>

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Schedule 3-19

*****WARD 2 - HORNBECK MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 26,744	\$ 26,744	\$ 0
Interest earnings	407	408	1
Other	500	500	0
State sources: Other	11,838	11,838	0
Total Revenues	\$ 39,489	\$ 39,490	\$ 1
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 1,899	\$ 1,899	\$ 0
Other instructional programs	7,240	7,241	(1)
Support services:			
Student services	920	920	0
General administration	863	863	0
School administration	2,720	2,721	(1)
Plant services	17,267	17,269	(2)
Student transportation services	34,225	34,229	(4)
Total Expenditures	\$ 65,134	\$ 65,142	\$ (8)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (25,645)	\$ (25,652)	\$ (7)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 26,181	\$ 26,182	\$ 1
Other sources	1,316	1,317	1
Total Other Financing Sources (Uses)	\$ 27,497	\$ 27,499	\$ 2
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 1,852	\$ 1,847	\$ (5)
FUND BALANCE AT BEGINNING OF YEAR	13,278	13,279	1
FUND BALANCE AT END OF YEAR	\$ 15,130	\$ 15,126	\$ (4)

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SPECIAL REVENUE FUND
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Schedule 3-20

*****WARD 3 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 42,018	\$ 42,019	\$ 1
Interest earnings	5,031	5,032	1
State sources: Other	10,223	10,224	1
 Total Revenues	 \$ 57,272	 \$ 57,275	 \$ 3
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 340	\$ 340	\$ 0
Other instructional programs	1,509	1,509	0
Support services:			
Student services	610	610	0
General administration	2,099	2,099	0
School administration	695	696	(1)
Plant services	22,787	22,790	(3)
Student transportation services	5,791	5,793	(2)
Facilities acquisition and construction	23,896	23,897	(1)
 Total Expenditures	 \$ 57,727	 \$ 57,734	 \$ (7)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (455)	 \$ (459)	 \$ (4)
 OTHER FINANCING SOURCES (USES)			
Operating transfers out	\$ (486)	\$ (487)	\$ (1)
 Total Other Financing Sources (Uses)	 \$ (486)	 \$ (487)	 \$ (1)
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 \$ (941)	 \$ (946)	 \$ (5)
 FUND BALANCE AT BEGINNING OF YEAR	 33,026	 33,026	 0
 FUND BALANCE AT END OF YEAR	 \$ 32,085	 \$ 32,080	 \$ (5)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-21

*****WARD 4 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 120,453	\$ 120,454	\$ 1
Interest earnings	30,679	30,679	0
State sources: Other	13,723	13,723	0
 Total Revenues	 \$ 164,855	 \$ 164,856	 \$ 1
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 11,751	\$ 11,752	(1)
Other instructional programs	24,840	24,841	(1)
Support services:			
Student services	2,190	2,190	0
General administration	3,903	3,903	0
School administration	1,587	1,589	(2)
Plant services	57,597	57,600	(3)
Student transportation services	46,249	46,250	(1)
Facilities acquisition and construction	7,674	7,675	(1)
 Total Expenditures	 \$ 155,791	 \$ 155,800	 \$ (9)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ 9,064	 \$ 9,056	 \$ (8)
 FUND BALANCE AT BEGINNING OF YEAR	 151,447	 151,448	 1
 FUND BALANCE AT END OF YEAR	 \$ 160,511	 \$ 160,504	 \$ (7)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-22

*****WARD 5 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 47,764	\$ 47,764	\$ 0
Interest earnings	4,032	4,033	1
State sources: Other	10,777	10,777	0
Total Revenues	\$ 62,573	\$ 62,574	\$ 1
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 9,470	\$ 9,472	\$ (2)
Support services:			
Student services	285	285	0
General administration	1,540	1,540	0
School administration	11,545	11,547	(2)
Plant services	26,904	26,907	(3)
Student transportation services	31,486	31,487	(1)
Facilities acquisition and construction	1,800	1,800	0
Total Expenditures	\$ 83,030	\$ 83,038	\$ (8)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (20,457)	\$ (20,464)	\$ (7)
OTHER FINANCING SOURCES (USES)			
Other sources	\$ 2,403	\$ 2,403	\$ 0
Total Other Financing Sources (Uses)	\$ 2,403	\$ 2,403	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (18,054)	\$ (18,061)	\$ (7)
FUND BALANCE AT BEGINNING OF YEAR	62,071	62,072	1
FUND BALANCE AT END OF YEAR	\$ 44,017	\$ 44,011	\$ (6)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-23

*****WARD 6 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 26,528	\$ 26,529	\$ 1
Interest earnings	8,981	8,981	0
State sources: Other	7,074	7,075	1
 Total Revenues	 \$ 42,583	 \$ 42,585	 \$ 2
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 11,526	\$ 11,527	\$ (1)
Other instructional programs	6,699	6,700	(1)
Support services:			
Student services	630	630	0
General administration	1,262	1,263	(1)
School administration	1,960	1,962	(2)
Plant services	54,364	54,366	(2)
Student transportation services	7,707	7,707	0
Facilities acquisition and construction	67,414	67,415	(1)
 Total Expenditures	 \$ 151,562	 \$ 151,570	 \$ (8)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (108,979)	 \$ (108,985)	 \$ (6)
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 25	\$ 26	\$ 1
 Total Other Financing Sources (Uses)	 \$ 25	 \$ 26	 \$ 1
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 \$ (108,954)	 \$ (108,959)	 \$ (5)
 FUND BALANCE AT BEGINNING OF YEAR	 385,599	 385,599	 0
 FUND BALANCE AT END OF YEAR	 \$ 276,645	 \$ 276,640	 \$ (5)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-24

*****WARD 7 MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 54,728	\$ 54,728	\$ 0
Interest earnings	14,786	14,786	0
State sources: Other	26,598	26,599	1
 Total Revenues	<u>\$ 96,112</u>	<u>\$ 96,113</u>	<u>\$ 1</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 3,133	\$ 3,133	\$ 0
Other instructional programs	8,757	8,758	(1)
Support services:			
Student services	1,590	1,590	0
General administration	1,727	1,727	0
Plant services	61,473	61,477	(4)
Student transportation services	98,224	98,228	(4)
Facilities acquisition and construction	23	23	0
 Total Expenditures	<u>\$ 174,927</u>	<u>\$ 174,936</u>	<u>\$ (9)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (78,815)</u>	<u>\$ (78,823)</u>	<u>\$ (8)</u>
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 56,675	\$ 56,676	\$ 1
 Total Other Financing Sources (Uses)	<u>\$ 56,675</u>	<u>\$ 56,676</u>	<u>\$ 1</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (22,140)</u>	<u>\$ (22,147)</u>	<u>\$ (7)</u>
 FUND BALANCE AT BEGINNING OF YEAR	<u>93,134</u>	<u>93,134</u>	<u>0</u>
 FUND BALANCE AT END OF YEAR	<u>\$ 70,994</u>	<u>\$ 70,987</u>	<u>\$ (7)</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-25

*****WARD 8 MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 22,533	\$ 22,534	\$ 1
Interest earnings	503	503	0
State sources: Other	18,341	18,342	1
 Total Revenues	 \$ 41,377	 \$ 41,379	 \$ 2
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 7,933	\$ 7,933	\$ 0
Support services:			
Student services	580	580	0
Instructional staff support	7,065	7,066	(1)
General administration	730	730	0
School administration	1,900	1,900	0
Plant services	32,690	32,692	(2)
Student transportation services	1,339	1,339	0
Facilities acquisition and construction	15,484	15,486	(2)
 Total Expenditures	 \$ 67,721	 \$ 67,726	 \$ (5)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (26,344)	 \$ (26,347)	 \$ (3)
 FUND BALANCE AT BEGINNING OF YEAR	 29,006	 29,007	 1
 FUND BALANCE AT END OF YEAR	 \$ 2,662	 \$ 2,660	 \$ (2)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

DEBT SERVICE FUNDS

Ward No. 1
Ward No. 2 - Orange
Ward No. 2 - Hornbeck
Ward No. 3
Ward No. 4
Ward No. 5
Ward No. 6
Ward No. 7
Ward No. 8

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective wards.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 1996

	WARD 1	WARD 2 - ORANGE	WARD 2 - HORNBECK	WARD 3
ASSETS				
Cash and cash equivalents	\$ 165,821	\$ 170,730	\$ 45,380	\$ 82,437
Receivables	181	0	0	0
Interfund receivables	0	0	0	0
Total Assets	\$ 166,002	\$ 170,730	\$ 45,380	\$ 82,437
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Interfund payables	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0
 Fund Equity				
Fund Balances:				
Reserved for debt service	\$ 166,002	\$ 170,730	\$ 45,380	\$ 82,437
Total Equity	\$ 166,002	\$ 170,730	\$ 45,380	\$ 82,437
TOTAL LIABILITIES AND FUND EQUITY	\$ 166,002	\$ 170,730	\$ 45,380	\$ 82,437

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-14

*****VOCATIONAL EDUCATION*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 206,731	\$ 206,736	\$ 5
 Total Revenues	\$ 206,731	\$ 206,736	\$ 5
 EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	\$ 124,242	\$ 124,251	(9)
Support services:			
Student services	17,489	17,491	(2)
Instructional staff support	41,500	41,504	(4)
General administration	21,171	21,172	(1)
School administration	274	275	(1)
Plant services	2,042	2,043	(1)
 Total Expenditures	\$ 206,718	\$ 206,736	(18)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 13	\$ 0	(13)
 FUND BALANCE AT BEGINNING OF YEAR	(4)	0	4
 FUND BALANCE AT END OF YEAR	\$ 9	\$ 0	(9)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	TITLE I	TITLE VI	BILINGUAL EDUCATION TITLE VII	MATH AND SCIENCE - TITLE II
REVENUES				
Local sources:				
Ad valorem taxes	\$ 0	\$ 0	\$ 0	\$ 0
Interest earnings	0	0	0	0
Food services	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	1,606,977	60,938	78,602	42,505
Total Revenues	\$ 1,606,977	\$ 60,938	\$ 78,602	\$ 42,505
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 0	\$ 60,700	\$ 0	\$ 34,471
Special programs	1,241,765	0	0	7,038
Other instructional programs	0	0	0	0
Support services:				
Student services	0	0	0	0
Instructional staff support	276,009	0	572	0
General administration	45,910	238	0	996
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	34,254	0	0	0
Student transportation services	0	0	0	0
Central services	0	0	0	0
Food services	50	0	0	0
Facilities acquisition and construction	8,989	0	0	0
Total Expenditures	\$ 1,606,977	\$ 60,938	\$ 572	\$ 42,505
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 78,030	\$ 0

**VERNON PARISH SCHOOL BOARD
Leesville, Louisiana**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA NUMBER</u>	<u>REVENUES</u>
NONCASH FEDERAL ASSISTANCE		
United States Department of Agriculture Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution Program (Commodities)	10.550	<u>\$ 210,337</u>
TOTAL NONCASH FEDERAL FINANCIAL ASSISTANCE		<u>\$ 210,337</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$10,521,861</u>
		(Concluded)

(1) The School Board is indebted to the Department of Agriculture (Farmers Home Administration) for a note of \$1,400,085 at year end.

*Major federal financial assistance programs.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 24 - DEFERRED COMPENSATION (Continued)

The assets in the plans remain the property of the School Board until paid or made available to participants, subject only to the claims of the School Board's creditors. The participants have no vested interest or secured or preferred position with respect to the assets or have any claim against the School Board, except as a general creditor, in an amount equal to the fair market value of the participant's account.

The School Board is not liable for losses arising from depreciation or shrinkage in the value of any investments acquired under the deferred compensation plans. However, the School Board believes it has the duty of due care that would be required of an ordinary prudent investor. The School Board also believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Transactions related to the deferred compensation plan are recorded as an agency fund. The assets of the deferred compensation plan are stated at market value.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

**COMBINING AND INDIVIDUAL FUND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS

TITLE I PROGRAMS - LOCAL EDUCATIONAL AGENCIES

(Elementary and Secondary Education Act of 1965, Title I)

To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

TITLE VI - INNOVATIVE EDUCATION PROGRAM STRATEGIES

(Elementary and Secondary Education Act of 1965, Title VI)

To assist state and local educational agencies to improve elementary and secondary education.

Funds may be used for: innovative assistance in the acquisition and use of instructional materials; technology related to the implementation of school bus reforms; promising education reform projects; promoting higher order thinking skills of disadvantaged students; and reform activities associated with Goals 2000.

BILINGUAL EDUCATION - TITLE VII

(Bilingual Education Act; Elementary and Secondary Education Act of 1965, Title VII).

To develop and carry out programs of bilingual education in elementary and secondary schools, including activities at the preschool level, which are designed to meet the educational needs of children of limited English proficiency; to demonstrate effective ways of providing such children with instruction designed to enable them, while using their native language, to achieve competency in English; or to develop alternative instruction programs that need not use the native language; to develop the human and material resources required for such programs; and to build the capacity of grantees to continue programs of bilingual education when assistance under this program is reduced or no longer available.

EISENHOWER PROFESSIONAL DEVELOPMENT STATE GRANTS - TITLE II

(Elementary and Secondary Education Act of 1965, Title II)

To ensure that teachers, staff and administrators have access to sustained and intensive high-quality professional development. To challenge state content standards in core academic subjects.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS (Continued)

SCHOOL FOOD SERVICE

National School Food Service Program (National School Lunch Act of 1946)

School Breakfast Program (Child Nutrition Act of 1966)

Food Distribution (Commodities) (National School Lunch Act of 1946 and Child Nutrition Act of 1966)

To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

SALES TAX

Vernon Parish School Board is the centralized sales tax collection agency for all taxing authorities in Vernon Parish. As a result, Vernon Parish School Board receives a fee of 1.5 percent of collections for performing the duties of collection agency. Expenditures are the cost of operating the sales tax department.

HEAD START
(Head Start Act)

To provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, including Indian children on federally-recognized reservations, and children of migratory workers and their families; and to involve parents in activities with their children so that the children will attain overall social competence.

SPECIAL EDUCATION - PRESCHOOL GRANTS
(Individuals With Disabilities Education Act, Part B)

To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

OTHER SPECIAL FUNDS

This fund represents various small federally funded programs for advancement of education in Vernon Parish.

JOB TRAINING PARTNERSHIP ACT (JTPA)
(Job Training Partnership Act of 1982)

To provide job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. The ultimate goal of the Act is to move trainees into permanent, self-sustaining employment.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS (Continued)

8G STATE FUNDS

The 8G State Fund is a program to provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

SAFE AND DRUG-FREE SCHOOLS - STATE GRANTS

(Safe and Drug-Free Schools and Communities Act of 1986, Title IV, as Amended)

To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

ADULT EDUCATION - STATE-ADMINISTERED BASIC GRANT PROGRAM

(Adult Education Act, Part B)

To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

VOCATIONAL EDUCATION

VOCATIONAL EDUCATION - BASIC GRANTS TO STATES

(Carl D. Perkins Vocational and Applied Technology Education Act, Title II)

To make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

VOCATIONAL EDUCATION - TECH-PREP EDUCATION

(Carl D. Perkins Vocational and Applied Technology Education Act, Title III)

To distribute funds to states to enable them to provide planning and demonstration grants to consortia of local educational agencies and postsecondary educational agencies, for the development and operation of four-year programs designed to provide a tech-prep education program leading to a two-year associate degree or a two-year certificate and to provide, in a systematic manner, strong, comprehensive links between secondary schools and postsecondary educational institutions.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS (Continued)

SPECIAL EDUCATION - STATE GRANTS
(Individuals With Disabilities Education Act, Part B)

To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

FOOD PROCESSING CENTERS

The Food Processing Centers receive revenues from sales and services for the purpose of operating the food processing centers.

MAINTENANCE FUNDS

- Ward 1
- Ward 2 - Orange
- Ward 2 - Hornbeck
- Ward 3
- Ward 4
- Ward 5
- Ward 6
- Ward 7
- Ward 8

The Maintenance Funds for the various school districts are used to account for the proceeds of ad valorem taxes levied for the purpose of maintaining and improving schools within each school district.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1996

	TITLE I	TITLE VI	BILINGUAL EDUCATION - TITLE VII	MATH AND SCIENCE - TITLE II
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 88	\$ 0
Investments	0	0	0	0
Receivables	375,681	8,150	0	16,356
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
Total Assets	<u>\$ 375,681</u>	<u>\$ 8,150</u>	<u>\$ 88</u>	<u>\$ 16,356</u>
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 202,586	\$ 50	\$ 0	\$ 15,600
Interfund payables	173,095	8,100	88	756
Deferred revenue	0	0	0	0
Total Liabilities	<u>\$ 375,681</u>	<u>\$ 8,150</u>	<u>\$ 88</u>	<u>\$ 16,356</u>
 Fund Equity				
Fund balances:				
Unreserved - undesignated	\$ 0	\$ 0	\$ 0	\$ 0
Total Equity	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 375,681</u>	 <u>\$ 8,150</u>	 <u>\$ 88</u>	 <u>\$ 16,356</u>

Schedule 1

SCHOOL FOOD SERVICE	SALES TAX	HEAD START	PRESCHOOL
\$ 402,781	\$ 17,071	\$ 14,389	0
184,570	0	0	0
4	16,811	241,196	23,664
0	0	0	17,345
53,522	0	0	0
<u>\$ 640,877</u>	<u>\$ 33,882</u>	<u>\$ 255,585</u>	<u>\$ 41,009</u>

\$ 277,320	\$ 1,112	\$ 123,356	17,148
0	0	132,229	22,911
0	0	0	950
<u>\$ 277,320</u>	<u>\$ 1,112</u>	<u>\$ 255,585</u>	<u>\$ 41,009</u>

\$ 363,557	\$ 32,770	0	0
\$ 363,557	\$ 32,770	0	0
<u>\$ 640,877</u>	<u>\$ 33,882</u>	<u>\$ 255,585</u>	<u>\$ 41,009</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1996

	OTHER SPECIAL FUNDS	JOB TRAINING PARTNERSHIP ACT (JTPA)	8G STATE FUNDS	DRUG FREE SCHOOLS
ASSETS				
Cash and cash equivalents	\$ 9,972	\$ 0	\$ 0	\$ 0
Investments	0	0	0	0
Receivables	2,479	4,461	47,713	20,840
Interfund receivables	0	6,136	18,624	0
Inventory	0	0	0	0
Total Assets	<u>\$ 12,451</u>	<u>\$ 10,597</u>	<u>\$ 66,337</u>	<u>\$ 20,840</u>
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 73	\$ 4,266	\$ 17,779	\$ 770
Interfund payables	2,406	5,901	48,558	20,070
Deferred revenue	0	430	0	0
Total Liabilities	<u>\$ 2,479</u>	<u>\$ 10,597</u>	<u>\$ 66,337</u>	<u>\$ 20,840</u>
 Fund Equity				
Fund balances:				
Unreserved - undesignated	\$ 9,972	\$ 0	\$ 0	\$ 0
Total Equity	<u>\$ 9,972</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 12,451</u>	<u>\$ 10,597</u>	<u>\$ 66,337</u>	<u>\$ 20,840</u>

Schedule 1

<u>ADULT EDUCATION</u>	<u>VOCATIONAL EDUCATION</u>	<u>SPECIAL EDUCATION</u>	<u>FOOD PROCESSING CENTERS</u>
\$ 0	\$ 0	\$ 0	\$ 3,385
0	0	0	0
21,662	35,676	16,591	625
22,636	0	2,348	0
0	0	0	0
<u>\$ 44,298</u>	<u>\$ 35,676</u>	<u>\$ 18,939</u>	<u>\$ 4,010</u>

\$ 6,560	\$ 25,617	\$ 684	\$ 517
37,332	10,059	18,255	0
406	0	0	0
<u>\$ 44,298</u>	<u>\$ 35,676</u>	<u>\$ 18,939</u>	<u>\$ 517</u>

\$ 0	\$ 0	\$ 0	\$ 3,493
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,493</u>
<u>\$ 44,298</u>	<u>\$ 35,676</u>	<u>\$ 18,939</u>	<u>\$ 4,010</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-2

	*****TITLE VI*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 60,938	\$ 60,938	\$ 0
Total Revenues	\$ 60,938	\$ 60,938	\$ 0
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 60,700	\$ 60,700	\$ 0
General administration	238	238	0
Total Expenditures	\$ 60,938	\$ 60,938	\$ 0
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
 FUND BALANCE AT BEGINNING OF YEAR	0	0	0
 FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0

Schedule 1

	WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$	8,250 \$	7,012 \$	6,937 \$	6,640 \$	2,690 \$	510,098
	155,961	39,375	320,215	66,947	15	1,034,239
	0	0	0	0	11	832,116
	0	0	273	0	0	67,362
	0	0	0	0	0	53,522
\$	164,211 \$	46,387 \$	327,425 \$	73,587 \$	2,716 \$	2,497,337
\$	3,707 \$	2,376 \$	50,785 \$	2,327 \$	56 \$	793,307
	0	0	0	273	0	480,033
	0	0	0	0	0	1,786
\$	3,707 \$	2,376 \$	50,785 \$	2,600 \$	56 \$	1,275,126
\$	160,504 \$	44,011 \$	276,640 \$	70,987 \$	2,660 \$	1,222,211
\$	160,504 \$	44,011 \$	276,640 \$	70,987 \$	2,660 \$	1,222,211
\$	164,211 \$	46,387 \$	327,425 \$	73,587 \$	2,716 \$	2,497,337

(CONCLUDED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP-Basis) and Actual
For the Year Ended June 30, 1996

Schedule 3-1

	*****TITLE I*****			VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL		
REVENUES				
Federal sources	\$ 1,606,961	\$ 1,606,977	\$	16
Total Revenues	\$ 1,606,961	\$ 1,606,977	\$	16
EXPENDITURES				
Current:				
Instruction:				
Special programs	\$ 1,241,754	\$ 1,241,765	\$	(11)
Support services:				
Instructional staff support	276,006	276,009		(3)
General administration	45,909	45,910		(1)
Plant services	34,250	34,254		(4)
Food services	50	50		0
Facilities acquisition and construction	8,989	8,989		0
Total Expenditures	\$ 1,606,958	\$ 1,606,977	\$	(19)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 3	\$ 0	\$	(3)
FUND BALANCE AT BEGINNING OF YEAR	0	0		0
FUND BALANCE AT END OF YEAR	\$ 3	\$ 0	\$	(3)

Schedule 2

SCHOOL FOOD SERVICE	SALES TAX	HEAD START	PRESCHOOL
\$ 0	\$ 0	\$ 0	\$ 0
8,291	0	0	0
743,812	0	0	0
0	166,460	0	0
459,101	0	0	0
0	0	0	0
<u>2,023,261</u>	<u>0</u>	<u>1,120,585</u>	<u>143,106</u>
<u>\$ 3,234,465</u>	<u>\$ 166,460</u>	<u>\$ 1,120,585</u>	<u>\$ 143,106</u>

\$ 0	\$ 0	\$ 35,008	\$ 0
0	0	842,350	120,365
0	0	0	0
0	0	0	0
0	0	110,328	19,613
0	54,313	21,749	2,798
0	0	0	0
22,978	5,328	0	248
2,086	2,803	456	0
0	0	5,652	82
0	16,687	0	0
3,508,851	0	0	0
<u>0</u>	<u>0</u>	<u>105,042</u>	<u>0</u>
<u>\$ 3,533,915</u>	<u>\$ 79,131</u>	<u>\$ 1,120,585</u>	<u>\$ 143,106</u>

<u>\$ (299,450)</u>	<u>\$ 87,329</u>	<u>\$ 0</u>	<u>\$ 0</u>
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(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>BILINGUAL EDUCATION TITLE VII</u>	<u>MATH AND SCIENCE - TITLE II</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 572	\$ 0
Operating transfers out	0	0	(78,602)	0
Other sources	0	0	0	0
Other sources - capital leases	0	0	0	0
Other uses	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (78,030)</u>	<u>\$ 0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Schedule 2

SCHOOL FOOD SERVICE	SALES TAX	HEAD START	PRESCHOOL
\$ 547,022	\$ 943	\$ 0	\$ 0
0	(90,943)	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<u>\$ 547,022</u>	<u>\$ (90,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>
247,572	(2,671)	0	0
<u>115,985</u>	<u>35,441</u>	<u>0</u>	<u>0</u>
<u>\$ 363,557</u>	<u>\$ 32,770</u>	<u>\$ 0</u>	<u>\$ 0</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 1996

	OTHER SPECIAL FUNDS	JOB TRAINING PARTNERSHIP ACT (JTPA)	8G STATE FUNDS	DRUG FREE SCHOOLS
REVENUES				
Local sources:				
Ad valorem taxes	\$ 0	\$ 0	\$ 0	\$ 0
Interest earnings	0	0	0	0
Food services	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	255,123	0
Federal sources	30,902	27,585	0	44,397
 Total Revenues	\$ 30,902	\$ 27,585	\$ 255,123	\$ 44,397
 EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 4,001	\$ 17,453	\$ 119,973	\$ 0
Special programs	9,371	0	112,627	0
Other instructional programs	6,475	10,132	13,340	0
Support services:				
Student services	0	0	7,628	43,390
Instructional staff support	0	0	212	0
General administration	0	0	63	1,007
School administration	2,733	0	5	0
Business services	0	0	0	0
Plant services	262	0	1,138	0
Student transportation services	0	0	0	0
Central services	0	0	0	0
Food services	0	0	40	0
Facilities acquisition and construction	0	0	0	0
 Total expenditures	\$ 22,842	\$ 27,585	\$ 255,026	\$ 44,397
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 8,060	\$ 0	\$ 97	\$ 0

Schedule 2

ADULT EDUCATION	VOCATIONAL EDUCATION	SPECIAL EDUCATION	FOOD PROCESSING CENTERS
\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0
0	0	0	0
0	0	0	13,985
0	0	0	0
93,353	0	0	0
90,599	206,736	341,942	0
<u>\$ 183,952</u>	<u>\$ 206,736</u>	<u>\$ 341,942</u>	<u>\$ 13,985</u>

\$ 0	\$ 0	\$ 0	\$ 0
0	0	149,843	0
109,167	124,251	101	0
0	17,491	30,591	0
70,451	41,504	139,252	0
2,208	21,172	9,739	11,999
0	275	0	0
0	0	4,374	0
2,671	2,043	7,772	0
0	0	270	0
0	0	0	0
0	0	0	0
0	0	0	0
<u>\$ 184,497</u>	<u>\$ 206,736</u>	<u>\$ 341,942</u>	<u>\$ 11,999</u>

<u>\$ (545)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,986</u>
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(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 1996

	OTHER SPECIAL FUNDS	JOB TRAINING PARTNERSHIP ACT (JTPA)	8G STATE FUNDS	DRUG FREE SCHOOLS
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Operating transfers out	0	0	0	0
Other sources	0	0	0	0
Other sources - capital leases	0	0	0	0
Other uses	(73)	0	(97)	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ (73)	\$ 0	\$ (97)	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 7,987	\$ 0	\$ 0	\$ 0
FUND BALANCES AT BEGINNING OF YEAR	\$ 1,985	\$ 0	\$ 0	\$ 0
FUND BALANCES AT END OF YEAR	\$ 9,972	\$ 0	\$ 0	\$ 0

Schedule 2

<u>ADULT</u> <u>EDUCATION</u>	<u>VOCATIONAL</u> <u>EDUCATION</u>	<u>SPECIAL</u> <u>EDUCATION</u>	<u>FOOD</u> <u>PROCESSING</u> <u>CENTERS</u>
\$ 545	\$ 0	\$ 0	\$ 487
0	0	0	(26)
0	0	0	0
0	0	0	0
0	0	0	0
<u>\$ 545</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 461</u>
\$ 0	\$ 0	\$ 0	2,447
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,046</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,493</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
REVENUES				
Local sources:				
Ad valorem taxes	\$ 379,303	\$ 39,693	\$ 26,744	\$ 42,019
Interest earnings	35,138	564	408	5,032
Food services	0	0	0	0
Other	0	0	500	0
State sources:				
Equalization	0	0	0	0
Other	73,582	25,219	11,838	10,224
Federal sources				
	0	0	0	0
Total Revenues	\$ 488,023	\$ 65,476	\$ 39,490	\$ 57,275
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 28,749	\$ 4,480	\$ 1,899	\$ 340
Special programs	0	0	0	0
Other instructional programs	44,242	7,548	7,241	1,509
Support services:				
Student services	3,553	490	920	610
Instructional staff support	0	0	0	0
General administration	12,407	1,289	863	2,099
School administration	61,531	250	2,721	696
Business services	0	0	0	0
Plant services	319,960	37,288	17,269	22,790
Student transportation services	111,339	16,265	34,229	5,793
Central services	0	0	0	0
Food services	0	0	0	0
Facilities acquisition and construction	81,036	0	0	23,897
Total Expenditures	\$ 662,817	\$ 67,610	\$ 65,142	\$ 57,734
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (174,794)	\$ (2,134)	\$ (25,652)	\$ (459)

Schedule 2

	WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$	120,454	\$ 47,764	\$ 26,529	\$ 54,728	\$ 22,534	\$ 759,768
	30,679	4,033	8,981	14,786	503	108,415
	0	0	0	0	0	743,812
	0	0	0	0	0	180,945
	0	0	0	0	0	459,101
	13,723	10,777	7,075	26,599	18,342	545,855
	0	0	0	0	0	5,818,135
\$	164,856	\$ 62,574	\$ 42,585	\$ 96,113	\$ 41,379	\$ 8,616,031
\$	11,752	\$ 9,472	\$ 11,527	\$ 3,133	\$ 7,933	\$ 350,891
	0	0	0	0	0	2,483,359
	24,841	0	6,700	8,758	0	364,305
	2,190	285	630	1,590	580	109,948
	0	0	0	0	7,066	665,007
	3,903	1,540	1,263	1,727	730	198,013
	1,589	11,547	1,962	0	1,900	85,209
	0	0	0	0	0	32,928
	57,600	26,907	54,366	61,477	32,692	683,834
	46,250	31,487	7,707	98,228	1,339	358,641
	0	0	0	0	0	16,687
	0	0	0	0	0	3,508,941
	7,675	1,800	67,415	23	15,486	311,363
\$	155,800	\$ 83,038	\$ 151,570	\$ 174,936	\$ 67,726	\$ 9,169,126
\$	9,056	\$ (20,464)	\$ (108,985)	\$ (78,823)	\$ (26,347)	\$ (553,095)

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	<u>WARD I</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 26,182	\$ 0
Operating transfers out	0	0	0	(487)
Other sources	0	0	1,317	0
Other sources - capital leases	72,023	0	0	0
Other uses	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 72,023</u>	<u>\$ 0</u>	<u>\$ 27,499</u>	<u>\$ (487)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (102,771)</u>	<u>\$ (2,134)</u>	<u>\$ 1,847</u>	<u>\$ (946)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>285,192</u>	<u>30,124</u>	<u>13,279</u>	<u>33,026</u>
FUND BALANCES AT END OF YEAR	<u>\$ 182,421</u>	<u>\$ 27,990</u>	<u>\$ 15,126</u>	<u>\$ 32,080</u>

Schedule 5

WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$ 275,609	\$ 200,060	\$ 58,999	\$ 193,972	\$ 140,997	1,581,439
4,143	2,436	4,415	3,043	1,626	26,750
<u>\$ 279,752</u>	<u>\$ 202,496</u>	<u>\$ 63,414</u>	<u>\$ 197,015</u>	<u>\$ 142,623</u>	<u>1,608,189</u>
\$ 8,934	\$ 6,450	\$ 1,907	\$ 6,110	\$ 4,496	51,101
106,000	77,520	21,042	85,000	70,000	804,621
<u>162,584</u>	<u>106,108</u>	<u>77,943</u>	<u>93,389</u>	<u>63,768</u>	<u>804,566</u>
<u>\$ 277,518</u>	<u>\$ 190,078</u>	<u>\$ 100,892</u>	<u>\$ 184,499</u>	<u>\$ 138,264</u>	<u>1,660,288</u>
\$ 2,234	\$ 12,418	(\$ 37,478)	\$ 12,516	\$ 4,359	(\$ 52,099)
238,405	97,432	264,212	132,708	62,755	1,306,209
<u>\$ 240,639</u>	<u>\$ 109,850</u>	<u>\$ 226,734</u>	<u>\$ 145,224</u>	<u>\$ 67,114</u>	<u>1,254,110</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1996

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
ASSETS				
Cash and cash equivalents	\$ 12,036	\$ 7,749	\$ 5,479	\$ 5,619
Investments	205,541	23,401	10,127	28,087
Receivables	196	0	0	0
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
Total Assets	\$ 217,773	\$ 31,150	\$ 15,606	\$ 33,706
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 35,352	\$ 3,160	\$ 480	\$ 1,626
Interfund payables	0	0	0	0
Deferred revenues	0	0	0	0
Total Liabilities	\$ 35,352	\$ 3,160	\$ 480	\$ 1,626
Fund Equity				
Fund Balances:				
Unreserved - undesignated	\$ 182,421	\$ 27,990	\$ 15,126	\$ 32,080
Total Equity	\$ 182,421	\$ 27,990	\$ 15,126	\$ 32,080
TOTAL LIABILITIES AND FUND EQUITY	\$ 217,773	\$ 31,150	\$ 15,606	\$ 33,706

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA NUMBER</u>	<u>REVENUES</u>
CASH FEDERAL ASSISTANCE		
United States Department of Health and Human Services		
Direct program - Head Start*	93.600	\$ 1,120,585
Passed Through the Louisiana Department of Education		
Payments to States for Child Care Assistance (Starting Points Preschool)	93.575	<u>68,853</u>
Total United States Department of Health and Human Services		<u>\$ 1,189,438</u>
United States Department of Labor		
Passed through the Fifth Planning District Consortium		
Job Training Partnership Act (JTPA)	17.250	\$ 27,585
Passed through the Louisiana Department of Social Services		
Job Opportunities and Basic Skills Training (Project Independence)	93.561	3,650
Passed through the Louisiana Department of Labor		
Employment Services and Job Training - Pilot and Demonstration Programs (Louisiana Schools to Work)	17.249	<u>2,000</u>
Total United States Department of Labor		<u>\$ 33,235</u>
United States Department of Defense		
Direct Programs:		
Department of The Army		
JROTC	12.609	<u>\$ 37,790</u>
Total United States Department of Defense		<u>\$ 37,790</u>
Other Cash Federal Assistance		
Direct Programs:		
Special Statutory Grant for Construction of Fort Polk Elementary School*	NONE	\$ 1,044,937
Passed through the Louisiana Department of Education		
Unisys	NONE	<u>16,529</u>
Total Other Cash Federal Assistance		<u>\$ 1,061,466</u>
TOTAL CASH FEDERAL FINANCIAL ASSISTANCE		<u>\$10,311,524</u>

(Continued)

Schedule 4

WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$ 178,984	\$ 171,505	\$ 226,734	\$ 145,224	\$ 67,048	1,253,863
0	0	0	0	66	247
61,655	0	0	0	0	61,655
<u>\$ 240,639</u>	<u>\$ 171,505</u>	<u>\$ 226,734</u>	<u>\$ 145,224</u>	<u>\$ 67,114</u>	<u>1,315,765</u>
\$ 0	\$ 61,655	\$ 0	\$ 0	\$ 0	61,655
0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 61,655</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>61,655</u>
<u>\$ 240,639</u>	<u>\$ 109,850</u>	<u>\$ 226,734</u>	<u>\$ 145,224</u>	<u>\$ 67,114</u>	<u>1,254,110</u>
<u>\$ 240,639</u>	<u>\$ 109,850</u>	<u>\$ 226,734</u>	<u>\$ 145,224</u>	<u>\$ 67,114</u>	<u>1,254,110</u>
<u>\$ 240,639</u>	<u>\$ 171,505</u>	<u>\$ 226,734</u>	<u>\$ 145,224</u>	<u>\$ 67,114</u>	<u>1,315,765</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Property Value, Construction and Bank Deposits
Last Ten Calendar Years

Calendar Year	Property Value		Commercial Construction (1)		Residential Construction (1)		Total	Residential Construction (1)		Bank Deposits (2)
	Commercial	Residential	Number of Units	Value	Number of Units	Value		Number of Units	Value	
1986	\$ 156,637,827	\$ 370,060,038	\$ 24,544,760	\$ 502,153,105	10	\$ 2,506,153	\$ 1,004,772	120	\$ N/A	N/A
1987	147,357,800	390,568,876	25,476,700	512,449,976	5	329,877	5,305,172	351	N/A	N/A
1988	147,860,853	415,686,785	26,317,240	537,230,398	N/A	N/A	N/A	N/A	113,494	113,494
1989	149,256,573	428,799,460	26,631,000	551,425,033	4	1,028,821	1,855,957	142	118,300	118,300
1990	161,754,867	434,233,963	26,791,560	569,197,270	12	1,338,997	888,066	29	122,614	122,614
1991	161,969,347	441,805,232	27,697,540	576,077,039	4	2,101,316	2,040,442	61	162,293	162,293
1992	169,936,933	456,117,455	27,604,050	598,450,338	13	281,714	1,023,943	165	146,630	146,630
1993	187,478,730	452,175,712	27,553,348	612,101,094	19	530,697	1,576,162	76	157,030	157,030
1994	186,529,533	470,863,267	29,002,170	628,390,630	13	1,710,319	1,920,410	131	153,249	153,249
1995	277,655,947	398,871,969	29,728,590	646,799,326	79	570,741	1,466,505	45	N/A	N/A

Notes:

(1) Source: City of Leesville

(2) Source: Northeast Louisiana University, Center for Business & Economic Research

N/A: Information not available

Table 12

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Principal Taxpayers
June 30, 1996

Name	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Central Bell	Public Utility	\$ 5,079,680	8.71%
Central La. Electric Company	Public Utility	3,040,740	5.21%
Valley Electric Membership Corp.	Public Utility	1,492,130	2.56%
Tenneco, Inc.	Gas Transmission	1,373,370	2.36%
Beauregard Electric Co-op, Inc.	Public Utility	1,439,900	2.47%
Boise Cascade Corp.	Timber	1,245,510	2.14%
Louisiana Power and Light Company	Public Utility	1,292,890	2.22%
Sycamore Point Limited	Real Estate Holding	1,073,000	1.84%
Merchants and Farmers Bank	Financial Institution	1,358,460	2.33%
Kansas City Southern Railway Corp.	Public Utility	1,035,670	1.78%
Totals		\$ 18,431,350	31.61%

Source: Vernon Parish Tax Assessor

Table 13

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Principal Employers
June 30, 1996

Name of Business	Type of Business	Number of Employees
Fort Polk Military Base	Armed Services	5,096
Vernon Parish School Board	Education	1,510
Bayne-Jones Army Hospital	Medical	524
Byrd Regional Hospital	Medical	224
Wal-Mart Discount Store	Retail	215
Vernon Parish Police Jury	Government	155
Leesville State School	Education	131
McDonald's	Restaurant	128
Vernon Parish Sheriff's Department	Law Enforcement	124
Community Care Center of Leesville	Medical	120

Source: Leesville Chamber of Commerce

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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

**COMPLIANCE WITH SINGLE AUDIT ACT OF 1984
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

COMPLIANCE WITH SINGLE AUDIT ACT OF 1984
FOR THE YEAR ENDED JUNE 30, 1996

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ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

2414 FERRAND STREET

MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

We have audited the general purpose financial statements of the Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Vernon Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Vernon Parish School Board for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants which is described in the accompanying Schedule of Reportable Conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that,

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the condition described in the accompanying Schedule of Reportable Conditions is not a material weakness.

This report is intended for the information of Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
November 8, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4864

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

We have audited the general purpose financial statements of the Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Vernon Parish School Board is the responsibility of management of the School Board. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the School Board's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, the results of our tests disclosed an immaterial instance of noncompliance described in finding #3 of the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green - Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
November 8, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF COMPENSATION PAID BOARD MEMBERS AND SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

We have audited the general purpose financial statements of the Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. These general purpose financial statements are the responsibility of Vernon Parish School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "*Audits of State and Local Governments*." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Vernon Parish School Board, taken as a whole. The accompanying Schedule of Compensation Paid Board Members and Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in these schedules have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
November 8, 1996

Table 9

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures

Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
1986-87	\$ 415,000	\$ 1,313,306	\$ 1,728,306	\$ 32,387,136	5.34%
1987-88	493,000	1,349,913	1,842,913	31,114,499	5.92%
1988-89	515,000	1,133,899	1,648,899	36,354,315	4.54%
1989-90	534,700	1,148,699	1,683,399	41,445,455	4.06%
1990-91	599,410	1,115,966	1,715,376	41,583,547	4.13%
1991-92	525,000	1,002,406	1,527,406	46,126,023	3.31%
1992-93	569,520	1,002,175	1,571,695	47,012,211	3.34%
1993-94	878,861	842,575	1,721,436	50,260,177	3.43%
1994-95	807,583	794,503	1,602,086	58,776,228	2.73%
1995-96	804,621	804,566	1,609,187	54,374,190	2.96%

Notes:

(1) Includes all governmental funds.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA NUMBER</u>	<u>REVENUES</u>
CASH FEDERAL ASSISTANCE		
United States Department of Agriculture		
Direct program:		
Rural Development Grants (1)*	10.769	\$ -
Passed through Louisiana Department of Education:		
National School Lunch Program*	10.555	1,451,984
School Breakfast Program*	10.553	360,940
Passed through Louisiana Department of Treasury		
Schools and Roads - Grants to States (National Forest Lands)	10.665	<u>245,264</u>
Total United States Department of Agriculture		<u>\$ 2,058,188</u>
United States Department of Education		
Direct Programs:		
Bilingual Education - Title VII	84.288	\$ 78,602
Impact Aid - Maintenance and Operation*	84.041	3,375,735
Passed Through Louisiana Department of Education:		
Adult Education - State-Administered		
Basic Grant Program	84.002	90,599
Title I Grants to Local Educational Agencies		
Basic Grant Program*	84.010	1,606,977
Special Education:		
State Grants - Part B*	84.027	341,942
Preschool Grants	84.173	74,253
Vocational Education:		
Basic Grants to States	84.048	80,669
Tech-Prep Education	84.243	126,067
Innovative Education Program		
Strategies - Title VI	84.298	60,938
Eisenhower Professional Development		
State Grants - (Title II)	84.281	42,505
Title IV (Safe and Drug-Free Schools)	84.186	44,397
Passed through Southern Regional Education Board		
Demonstration Project for the Integration of Vocational and Academic Learning (AIM)	84.248	<u>8,723</u>
Total United States Department of Education		<u>\$ 5,931,407</u>

(Continued)

Table 8

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Computation of Legal Debt Margin
June 30, 1996

Assessed value (1)	\$ 88,039,350
Debt limitation - 35 percent of assessed value	30,813,773
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 12,725,795
Less: Assets in debt service funds	<u>1,254,110</u>
Total amount of debt applicable to debt limit	<u>11,471,685</u>
Legal debt margin	<u>\$ 19,342,088</u>

Notes:
(1) Vernon Parish Tax Assessor

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

**NOTES TO THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996**

NOTE 1 - GENERAL

The accompanying schedule of federal financial assistance presents the activity of all federal financial assistance programs of the Vernon Parish School Board, Leesville, Louisiana. The Vernon Parish School Board (the "School Board") reporting entity is defined in note 1(A) to the School Board's general purpose financial statements. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedule of federal financial assistance is presented using the modified accrual basis of accounting, which is described in note 1(C) to the School Board's general purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Federal financial assistance revenues are reported in the School Board's general purpose financial statements as follows:

	<u>Federal Sources</u>
General Fund	\$ 3,658,789
Special Revenue Funds:	
Title I	1,606,977
Title VI	60,938
Title II	42,505
Title VII	78,602
School Food Service	2,023,261
Head Start	1,120,585
Preschool	143,106
Special Education	341,942
Other Special Funds	30,902
Job Training Partnership Act (JTPA)	27,585
Drug Free Schools	44,397
Adult Education	90,599
Vocational Education	206,736
Capital Project Funds:	
Fort Polk Elementary	<u>1,044,937</u>
Total	<u>\$10,521,861</u>



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

We have audited the general purpose financial statements of the Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. We have also audited the Vernon Parish School Board's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 8, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and whether the Vernon Parish School Board complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1996, we considered the School Board's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Vernon Parish School Board and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 8, 1996.

The management of the Vernon Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

Cash	Payroll and related liabilities
Expenditures for goods and services and accounts payable	Property, equipment and capital expenditures
Single audit and similar grant programs	

Administrative Controls

General requirements:	Specific Requirements:
Political activity	Types of services allowed or unallowed
Civil rights	Eligibility
Davis-Bacon Act	Level of effort
Cash management	Reporting
Federal financial reports	Special tests and provisions
Allowable costs/cost principles	Claims for advances and reimbursements
Drug-Free Workplace Act	
Administrative requirements	

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Vernon Parish School Board expended 88 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements, that are applicable to each of the School Board's major federal financial assistance programs, which are identified in the accompanying *Schedule of Federal Financial Assistance*. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants which



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

We have audited the general purpose financial statements of the Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996.

We have applied procedures to test the Vernon Parish School Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996: political activity, civil rights, Davis-Bacon Act, cash management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act compliance and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the School Board's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the School Board had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed one immaterial instance of noncompliance with those requirements, which is described in finding #2 of the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
November 8, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

We have audited the general purpose financial statements of the Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996.

We have also audited the Vernon Parish School Board's compliance with the requirements governing types of services allowed or unallowed; eligibility; level of effort; reporting; special tests and provisions and claims for advances and reimbursements that are applicable to each of the School Board's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Vernon Parish School Board is responsible for the School Board's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "*Audits of State and Local Governments*." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed one immaterial instance of noncompliance with the requirements referred to above as described in Finding #1 of the Schedule of Findings and Questioned Costs.

In our opinion, the Vernon Parish School Board complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; level of effort; reporting; special tests and provisions and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

This report is intended for the information of Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
November 8, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
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TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

BOARD MEMBERS
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

We have audited the general purpose financial statements of the Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996.

In connection with our audit of the general purpose financial statements of the Vernon Parish School Board, and with our consideration of the School Board's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility and special provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the School Board's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Vernon Parish School Board had not complied, in all material respects, with those requirements.

This report is intended for the information of Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
November 8, 1996

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

Reportable Conditions

1. **Separation of Collection Duties**
See current year reportable condition #1.

Findings

1. **Head-Start Enrollment Requirements**
See current year finding #1.
2. **Public Bid Law**
This finding is considered resolved.
3. **Davis-Bacon Act**
See current year finding #2.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

1. **Separation of Collection Duties**
(All programs)

CONDITION: The bookkeeper receives the daily mail collection. She is then responsible for making the deposit. She attaches the deposit slip with any documentation and secures it in a binder. Finally, she enters the deposited amounts on the books and reconciles the bank statement.

REASON IMPROVEMENT NEEDED: To separate incompatible functions.

CAUSE OF CONDITION: The cause of the problem is the responsibility of one employee to perform incompatible duties.

EFFECT OF CONDITION: No separation of duties over cash receipts function.

RECOMMENDATION: We recommend someone other than the bookkeeper open the mail and make a listing of receipts. This listing would then be compared to recorded deposits by someone other than the bookkeeper. Also, we recommend another person prepare the bank reconciliation.

MANAGEMENT'S RESPONSE: We will comply with the auditors recommendation.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

1. Income Guidelines for Head Start
(Head Start, CFDA #93.600)

CONDITION: Three out of 25 student files tested had income above guidelines and were not included on the listing of students over the income limits. Ninety percent of enrollees must come from families whose income is below federal low income guidelines or who are receiving public assistance.

REASON IMPROVEMENT NEEDED: Improvement is needed to comply with federal program requirements.

CAUSE OF CONDITION: An error was made in calculating yearly income.

EFFECT OF CONDITION: Children enrolled in Head Start program who are from families above the income guidelines.

RECOMMENDATION: Listing of students enrolled over the income guidelines should be closely monitored to ensure compliance with program requirements.

MANAGEMENT'S RESPONSE: We will comply with the auditors recommendation.

2. Davis-Bacon Act
(Special Statutory Grant - No CFDA #)

CONDITION: The School Board has not put in place a system for monitoring compliance with the Davis-Bacon Act which requires prevailing wages to be paid to workers on construction projects financed by federal funds.

REASON IMPROVEMENT NEEDED: To comply with requirements of Davis-Bacon Act.

EFFECT OF CONDITION: Non-compliance with requirements of Davis-Bacon Act.

RECOMMENDATION: The School Board should put into place a system of monitoring compliance with Davis-Bacon Act.

MANAGEMENT'S RESPONSE: The School Board's staff was unaware of Davis-Bacon requirements. A system of monitoring compliance with Davis-Bacon Act will be implemented in all future federally financed projects.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

3. Late Filing of Audit Report

CONDITION: The Louisiana Legislative Auditor requires audit reports to be filed within six months of the year-end of the governments. The audit report as of and for the year ended June 30, 1996 was filed after December 31, 1996.

REASON IMPROVEMENT NEEDED: To comply with state regulations.

CAUSE OF CONDITION: Due to unexpected additional workload and staff shortage of auditor for the 1996 year.

EFFECT OF CONDITION: Violation of state regulation.

RECOMMENDATION: Future audit reports should be filed within six months of year-end.

MANAGEMENT'S RESPONSE: The School Board will monitor the progress of future audits to assure compliance with this filing regulation.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 1996

The schedule of compensation paid to School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month and the president receives \$900 per month for performing the duties of the office.

Mr. Mark Smith, President	\$ 10,800
Mr. Richard Bailes	5,600
Mr. Gerald Burns	9,600
Mr. A.C. Dowden, Jr.	9,600
Mr. Willis Farris	5,600
Mr. Philip Gunn	9,600
Mr. Arvil Harvey	4,000
Mr. B. R. Harvey	9,600
Mr. M. Gene Haymon	5,600
Mr. C. A. Hughes	5,600
Mr. Benard McKee	9,600
Mr. Wallace McRae	4,000
Mr. Murphy O'Banion	9,600
Mr. W. W. Parker	5,600
Mr. T. Barrett Porter	4,000
Ms. Kim Reese	5,600
Ms. Linda West	5,600
Ms. Betty Westerchil	9,600
Ms. Carolyn Williams	<u>4,000</u>
Total	<u>\$133,200</u>

Schedule 13

<u>FURNITURE AND EQUIPMENT</u>	<u>VEHICLES</u>
\$ 4,698,855	\$ 0
649,733	21,094
0	632,022
<u>2,143,593</u>	<u>0</u>
<u>\$ 7,492,181</u>	<u>\$ 653,116</u>
<u>\$ 0</u>	<u>\$ 0</u>
<u>\$ 7,492,181</u>	<u>\$ 653,116</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 19 - ENCUMBRANCES

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are reappropriated in the next year. At June 30, 1996 the School Board had entered into purchase orders and commitments as follows:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Total encumbrances	<u>\$216,734</u>	<u>\$277,864</u>	<u>\$494,598</u>

NOTE 20 - RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A risk management program for workers' compensation insurance was established by the School Board several years ago. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. As of June 30, 1996, such interfund premiums did not exceed reimbursable expenditures. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

An insurance policy covers individual claims in excess of \$150,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information. The liability for claims and judgments is reported in the general fund because it is expected to be liquidated with expendable available financial resources. The liability at June 30, 1996 was \$5,722.

The School Board initiated a risk management program for employees Group Health Insurance in fiscal year 1989. Premiums were paid into the Internal Service Fund by all other funds and were available to pay claims, claim reserves and administrative costs of the program. Effective June 1, 1995 the School Board discontinued the Self-Insured Employees' Group Health Insurance Plan and placed the insurance with an insurance carrier. This action was a result of the high claims experience. During the fiscal year 1996, a total of \$164,959 was incurred in benefits and administrative costs of the program.

The Internal Service Fund - Group Health Insurance incurred net income for the year of \$562,772 and at year end had a retained earnings balance of \$-0-.

Changes in the claims amount in previous fiscal years were as follows:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

CAPITAL PROJECT FUNDS

SIMPSON GYM AND RENOVATIONS

The Simpson Gym and Renovations Capital Project Fund accounts for the financial resources to construct the gym and renovate the school at Simpson.

FORT POLK ELEMENTARY

The Fort Polk Elementary Capital Project Fund accounts for the Special Federal Statutory Grant to construct the elementary school on the Fort Polk Military Base.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Schedule 6

CAPITAL PROJECT FUNDS
Combining Balance Sheet
June 30, 1996

	SIMPSON GYM & RENOVATIONS	FORT POLK ELEMENTARY	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,500	\$ 0	\$ 1,500
Receivables	0	0	0
Total Assets	\$ 1,500	\$ 0	\$ 1,500
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts, salaries and other payables	\$ 0	\$ 0	\$ 0
Interfund payable	0	0	0
Total Liabilities	\$ 0	\$ 0	\$ 0
Fund Equity			
Fund balances:			
Undesignated	1,500	0	1,500
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,500	\$ 0	\$ 1,500

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Schedule 7

CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	<u>SIMPSON GYM & RENOVATIONS</u>	<u>FORT POLK ELEMENTARY</u>	<u>TOTAL</u>
REVENUES			
Federal sources	\$ 0	\$ 1,044,937	\$ 1,044,937
Total Revenues	\$ 0	\$ 1,044,937	\$ 1,044,937
EXPENDITURES			
Facilities acquisition and construction	\$ 2,499	\$ 1,044,937	\$ 1,047,436
Total Expenditures	\$ 2,499	\$ 1,044,937	\$ 1,047,436
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (2,499)	\$ 0	\$ (2,499)
FUND BALANCES AT BEGINNING OF YEAR	\$ 3,999	\$ 0	\$ 3,999
FUND BALANCES AT END OF YEAR	\$ 1,500	\$ 0	\$ 1,500

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

AGENCY FUNDS

SCHOOL ACTIVITY AGENCY FUND

The activities of the various individual school accounts are accounted for in the School Activity Agency Fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

SCHOLARSHIP AGENCY FUND

This Scholarship Agency Fund is funded by voluntary employee contributions. The proceeds are used to provide an annual scholarship for an outstanding graduate who plans to major in education.

EMPLOYEE INSURANCE AGENCY FUND

The Insurance Fund is used to account for group insurance premiums received from employees and retirees. The funds collected are used to pay for group insurance for School Board employees and retirees.

SALES TAX AGENCY FUND

The Sales Tax Fund accounts for monies collected on behalf of the other taxing authorities in Vernon Parish. Upon receipt of sales tax returns and monies, a direct deposit is made into the bank account of the other taxing authorities.

DEFERRED COMPENSATION FUND

The Deferred Compensation Agency Fund is used to account for employee deductions, investment earnings and eventual payments of benefits to employees under deferred compensation plans established by the School Board under Section 457 of the Internal Revenue Code.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

AGENCY FUNDS
Combining Statement of Assets and Liabilities
June 30, 1996

Schedule 8

	SCHOOL ACTIVITY FUND	SCHOLARSHIP FUND	DEFERRED COMPENSATION FUND	TOTAL
ASSETS				
Cash and cash equivalents	\$ 530,171	\$ 3,623	\$ 0	\$ 533,794
Investments, at market	0	0	150,486	150,486
	\$ 530,171	\$ 3,623	\$ 150,486	\$ 684,280
LIABILITIES				
Deposits due student groups	\$ 530,171	\$ 3,623	\$ 0	\$ 533,794
Deposits due others	0	0	150,486	150,486
	\$ 530,171	\$ 3,623	\$ 150,486	\$ 684,280

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

AGENCY FUNDS
Combining Statement of Changes In Assets and Liabilities
For the Year Ended June 30, 1996

Schedule 9

	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
*****SCHOOL ACTIVITY FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$ 464,822</u>	<u>2,092,987</u>	<u>2,027,638</u>	<u>\$ 530,171</u>
LIABILITIES				
Deposits due student groups	<u>\$ 464,822</u>	<u>2,092,987</u>	<u>2,027,638</u>	<u>\$ 530,171</u>
*****SCHOLARSHIP FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$ 1,911</u>	<u>3,212</u>	<u>1,500</u>	<u>\$ 3,623</u>
LIABILITIES				
Deposits due student groups	<u>\$ 1,911</u>	<u>3,212</u>	<u>1,500</u>	<u>\$ 3,623</u>
*****EMPLOYEE INSURANCE FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$ 1,955</u>	<u>13,028</u>	<u>14,983</u>	<u>\$ 0</u>
LIABILITIES				
Deposits due employees	<u>\$ 1,955</u>	<u>13,028</u>	<u>14,983</u>	<u>\$ 0</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 1996

Schedule 9

	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
*****SALES TAX FUND*****				
ASSETS				
Cash and cash equivalents	\$ <u>0</u>	<u>11,241,063</u>	<u>11,241,063</u>	\$ <u>0</u>
LIABILITIES				
Deposits due other taxing authorities	\$ <u>0</u>	<u>11,241,063</u>	<u>11,241,063</u>	\$ <u>0</u>
*****DEFERRED COMPENSATION FUND*****				
ASSETS				
Investments, at market	\$ <u>0</u>	<u>155,324</u>	<u>4,838</u>	\$ <u>150,486</u>
LIABILITIES				
Deposits due others	\$ <u>0</u>	<u>155,324</u>	<u>4,838</u>	\$ <u>150,486</u>
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 468,688	13,350,290	13,285,184	\$ 533,794
Investments, at market	<u>0</u>	<u>155,324</u>	<u>4,838</u>	<u>150,486</u>
Total Assets	\$ <u>468,688</u>	<u>13,505,614</u>	<u>13,290,022</u>	\$ <u>684,280</u>
LIABILITIES				
Deposits due student groups	\$ 466,733	2,096,199	2,029,138	\$ 533,794
Deposits due employees	1,955	13,028	14,983	0
Deposits due other taxing authorities	0	11,241,063	11,241,063	0
Deposits due others	<u>0</u>	<u>155,324</u>	<u>4,838</u>	<u>150,486</u>
Total Liabilities	\$ <u>468,688</u>	<u>13,505,614</u>	<u>13,290,022</u>	\$ <u>684,280</u>

(CONCLUDED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1996

Schedule 10

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
ANACOCO HIGH	\$ 16,998	\$ 171,419	\$ 164,120	\$ 24,297
ANACOCO ELEMENTARY	31,800	39,534	41,183	30,151
EAST LEESVILLE ELEMENTARY	30,927	54,901	53,995	31,833
EVANS	16,905	78,064	75,716	19,253
HICKS	15,020	80,811	78,065	17,766
HORNBECK	11,416	60,257	62,212	9,461
LEESVILLE HIGH	63,597	531,542	487,638	107,501
LEESVILLE JUNIOR HIGH	12,721	90,483	90,196	13,008
NORTH POLK ELEMENTARY	6,172	40,333	36,039	10,466
PICKERING HIGH	24,432	198,824	196,739	26,517
PICKERING ELEMENTARY	43,125	112,728	93,536	62,317
PITKIN HIGH	32,950	134,012	138,647	28,315
ROSEPINE HIGH	60,466	195,535	204,189	51,812
ROSEPINE ELEMENTARY	27,598	35,581	38,245	24,934
SIMPSON	48,837	82,560	86,334	45,063
SOUTH POLK ELEMENTARY	6,375	36,212	32,898	9,689
VERNON ELEMENTARY	12,816	97,388	103,554	6,650
WEST LEESVILLE ELEMENTARY	<u>2,667</u>	<u>52,803</u>	<u>44,332</u>	<u>11,138</u>
TOTAL	\$ <u>464,822</u>	\$ <u>2,092,987</u>	\$ <u>2,027,638</u>	\$ <u>530,171</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Asset Account Group records the fixed assets of the School Board which are used in governmental fund-type operations.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF GENERAL FIXED ASSETS -
BY SOURCE
June 30, 1996

Schedule 11

GENERAL FIXED ASSETS:

Land	\$	250,944
Buildings		44,254,903
Furniture and Equipment		7,492,181
Vehicles		<u>653,116</u>

TOTAL GENERAL FIXED ASSETS

\$ 52,651,144

INVESTMENT IN GENERAL FIXED ASSETS:

Balance, June 30, 1987	\$	39,460,450
Subsequent to June 30, 1987:		
From General Fund		1,840,292
From Maintenance Funds		9,448,900
From Federal Funds		1,583,174
From School Food Service Fund		<u>318,328</u>

TOTAL INVESTMENT IN GENERAL FIXED ASSETS

\$ 52,651,144

Table 10

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Demographic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Per Capita Income (2)	Median Age	School Enrollment (3)	Unemployment Rate (2)
1986	62,269	\$ 8,892	N/A	13,490	9.3%
1987	63,010	9,392	N/A	12,890	8.7%
1988	62,477	9,555	N/A	12,462	8.9%
1989	61,574	9,802	N/A	12,008	8.2%
1990	61,961	10,614	N/A	12,247	6.3%
1991	62,509	11,569	N/A	12,437	6.9%
1992	63,385	12,048	N/A	11,629	8.6%
1993	59,584	13,090	N/A	11,397	8.5%
1994	56,083	13,622	N/A	11,576	9.6%
1995	54,303	N/A	24.7	11,320	7.4%

Notes:

(1) Source: Louisiana Tech University

(2) Source: Northeast Louisiana University, Center for Business & Economic Research

(3) Source: Louisiana School Directory

N/A: Information not available

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF GENERAL FIXED ASSETS -
BY FUNCTION

June 30, 1996

<u>FUNCTION</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>
Instruction	\$ 49,204,702	\$ 250,944	\$ 44,254,903
General Administration	670,827	0	0
Student Transportation	632,022	0	0
Food Service Operations	<u>2,143,593</u>	<u>0</u>	<u>0</u>
 Total Allocated to Functions	 \$ <u>52,651,144</u>	 \$ <u>250,944</u>	 \$ <u>44,254,903</u>
 Construction in progress	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>
 TOTAL GENERAL FIXED ASSETS	 \$ <u>52,651,144</u>	 \$ <u>250,944</u>	 \$ <u>44,254,903</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes In Fund Balances
For the Year Ended June 30, 1996

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 348,138	\$ 185,871	\$ 90,523	\$ 87,270
Interest earnings	3,458	3,776	1,852	2,001
Total revenues	\$ 351,596	\$ 189,647	\$ 92,375	\$ 89,271
EXPENDITURES				
Current:				
Support services:				
General administration	\$ 11,426	\$ 6,039	\$ 2,916	\$ 2,823
Debt service:				
Principal retirement	275,000	89,999	60,060	20,000
Interest and bank charges	67,496	82,879	87,649	62,750
Total expenditures	\$ 353,922	\$ 178,917	\$ 150,625	\$ 85,573
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (2,326)	\$ 10,730	\$ (58,250)	\$ 3,698
FUND BALANCES AT BEGINNING OF YEAR	168,328	160,000	103,630	78,739
FUND BALANCES AT END OF YEAR	\$ 166,002	\$ 170,730	\$ 45,380	\$ 82,437

Table 1

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

General Expenditures By Function - All Governmental Fund Types
Fiscal Year Ended June 30, 1987 through June 30, 1996

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Current:										
Instruction										
Regular programs	\$ 12,152,429	\$ 12,730,570	\$ 14,409,396	\$ 15,836,942	\$ 15,720,006	\$ 21,139,866	\$ 20,261,090	\$ 19,327,193	\$ 21,419,880	\$ 19,879,963
Special programs	2,886,160	2,864,704	2,974,444	3,023,899	3,794,621	5,951,604	7,049,246	6,295,524	9,514,852	8,281,757
Other instructional programs							350,561	1,544,866	134,433	2,074,205
Support services										
Student services	601,198	557,687	861,955	667,867	782,855	1,719,986	1,558,696	1,625,338	1,845,810	1,759,578
Instructional staff support	911,880	900,905	976,652	1,043,419	1,137,292	1,621,959	1,697,699	2,006,966	2,251,219	2,212,921
General administration	3,943,786	4,274,335	7,739,323	10,583,359	9,626,634	589,019	917,252	1,154,216	1,199,673	1,547,055
School administration						1,888,487	2,119,629	2,558,345	2,675,738	2,794,075
Business services	6,783,407	6,462,905	6,640,352	7,549,762	7,462,761	888,678	293,080	382,195	429,765	399,657
Plant services						3,917,367	4,467,986	4,748,897	4,912,181	4,641,655
Student transportation services						3,495,571	3,364,924	3,942,982	4,037,535	4,025,802
Central services	1,058,136	1,022,375	1,099,302	1,036,808	1,343,982	115,042	128,036	166,207	161,574	212,461
Food services						3,118,525	3,146,669	3,472,498	3,696,347	3,565,957
Community service programs						39,738	13,125	20,299	7,071	3,470
Facilities Acquisition and Construction	2,321,834	32,049				112,975	74,523	1,293,215	4,888,064	1,366,447
Debt Services:										
Principal retirement	415,000	493,000	515,000	534,700	599,410	525,000	569,520	878,861	807,583	804,621
Interest and bank charges	1,313,306	1,349,913	1,133,899	1,148,699	1,115,966	1,002,406	1,002,175	842,575	794,503	804,566
Total Expenditures	\$ 32,387,196	\$ 30,688,443	\$ 36,350,323	\$ 41,445,455	\$ 41,583,547	\$ 46,126,023	\$ 47,012,211	\$ 50,260,177	\$ 58,776,228	\$ 54,374,190

Notes:

(1) Effective for the 1991-1992 fiscal year, financial reporting was changed to mirror the main reporting categories as used in preparing the Annual Financial and Statistical Report which is filed with the Louisiana Department of Education.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

General Revenues By Source - All Governmental Fund Types
Fiscal Years Ended June 30, 1987 through June 30, 1996

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Revenues from local sources:										
Ad valorem taxes	\$ 2,877,082	\$ 2,837,870	\$ 2,764,253	\$ 2,771,314	\$ 3,109,004	\$ 2,773,467 (Z)	\$ 3,134,192	\$ 3,105,055	\$ 3,067,637	\$ 2,970,502
Sales taxes	2,185,461	2,212,197	2,317,521	2,372,351	2,520,608	4,476,788	4,577,358	4,882,592	5,063,735	5,608,037
Investment earnings	524,447	440,193	713,944	676,087	425,947	303,772	223,974	245,281	226,654	257,425
Food sales (1)			632,940	622,428	687,539	786,935	687,917	711,245	705,601	743,812
Other	46,940	39,222	48,470	32,339	36,529	83,842	147,389	184,874	572,057	239,010
Total revenues from local sources	5,633,930	5,529,482	6,477,128	6,474,519	6,779,627	8,424,804	8,770,830	9,129,047	9,635,684	9,818,786
Revenues from state sources	18,305,346	19,723,241	22,581,443	25,308,040	26,012,611	26,804,822	29,076,533	30,691,165	32,793,180	33,248,650
Revenues from federal sources	5,545,714	5,034,282	8,266,326	7,396,347	9,086,263	9,598,428	9,524,697	10,770,544	14,151,165	10,521,861
Total Revenues	\$ 29,484,990	\$ 30,287,005	\$ 37,324,897	\$ 39,178,906	\$ 41,878,501	\$ 44,828,054	\$ 47,372,060	\$ 50,590,756	\$ 56,580,029	\$ 53,589,297

Notes:

(1) The School Food Service Operation was reflected as a proprietary fund for the years ended June 30, 1988 and prior.

(2) The School Board has collected a 1% sales tax since 1973. Effective July 1, 1991, an additional 1% sales tax is being collected by the School Board.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections		Total Tax, Interest and Penalty Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
				Delinquent Taxes	Interest and Penalty				
1986-87	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A	N/A	\$ N/A	N/A
1987-88	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1988-89	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1989-90	2,772,686	2,688,617	97.0%	15,630	16,417	2,720,664	98.1%	95,596	3.4%
1990-91	2,958,239	2,826,804	95.6%	102,419	4,552	2,933,775	99.2%	39,240	1.3%
1991-92	2,709,182	2,701,980	99.7%	10,938	18,025	2,730,943	100.8%	N/A	N/A
1992-93	3,048,228	3,025,232	99.2%	26,806	10,917	3,062,955	100.5%	51,962	1.7%
1993-94	3,037,221	3,008,323	99.0%	25,714	11,014	3,045,051	100.3%	55,240	1.8%
1994-95	2,937,328	2,918,759	99.4%	13,554	3,190	2,935,503	99.9%	71,460	2.4%
1995-96	2,983,562	2,852,180	95.6%	21,347	8,441	2,881,968	96.6%	110,922	3.7%

Source: Vernon Parish Tax Assessor

N/A: Information not available

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Assessed and Estimated Actual Value of Taxable Property (1)
Last Ten Calendar Years

Year	Real Property		Personal Property		Exemptions (2)		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property		Assessed Value	Estimated Actual Value	
1986	\$ 60,941,520	\$ 467,034,132	\$ 8,949,560	\$ 59,663,733	\$ 24,544,760		\$ 45,346,320	\$ 526,697,865	8.6%
1987	63,288,100	487,754,743	7,525,790	50,171,933	25,476,700		45,337,190	537,926,676	8.4%
1988	65,997,830	513,884,638	7,449,450	49,663,000	26,317,240		47,130,040	563,547,638	8.4%
1989	67,579,360	529,611,234	7,266,720	48,444,800	26,631,000		48,215,080	578,056,034	8.3%
1990	69,589,900	541,753,163	8,135,350	54,235,667	26,791,560		50,933,690	595,988,830	8.5%
1991	70,600,610	551,452,378	7,848,330	52,322,200	27,697,540		50,751,400	603,774,578	8.4%
1992	72,850,660	568,579,121	8,621,290	57,475,267	27,604,050		53,867,900	626,054,388	8.6%
1993	73,728,927	573,827,442	9,874,050	65,827,000	27,553,348		56,049,629	639,654,442	8.8%
1994	75,415,510	589,912,667	10,122,020	67,480,133	29,002,170		56,535,360	657,392,800	8.6%
1995	77,427,310	605,780,982	10,612,040	70,746,933	29,728,590		58,310,760	676,527,915	8.6%

Notes:

(1) Total assessed value is 10% to 25% of estimated actual value.

(2) Homestead exemption is \$75,000 estimated actual value (\$7,500 assessed value) per household.

(3) Source: Grand Recapitulation prepared by Vernon Parish Tax Assessor

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Property Tax Rates and Tax Levies - All Direct and Overlapping Governments
Last Ten Calendar Years

Year	Tax Rates per \$1,000 of Assessed Value						Tax Levies					
	Parish	Sheriff	School	City of Leesville	Water District	Total	Parish	Sheriff	School	City of Leesville	Water District	Total
1986	83.84	17.42	10.66	26.65	0.00	138.57	\$ 1,996,970	\$ 1,217,526	\$ 4,722,448	\$ 539,551	\$ 0	\$ 8,476,495
1987	83.84	17.42	10.24	26.65	0.00	138.15	1,526,120	959,047	3,612,727	455,854	0	6,553,748
1988	106.24	17.42	10.24	24.77	0.00	158.67	2,116,636	1,279,461	4,416,359	517,328	0	8,329,784
1989	101.51	17.94	10.51	19.84	0.00	149.80	1,897,659	1,303,832	4,532,562	418,674	0	8,152,727
1990	88.89	17.94	10.51	19.84	0.00	137.18	1,683,168	1,353,976	4,784,994	426,558	0	8,248,696
1991	91.87	17.94	10.61	20.38	10.00	150.80	1,740,056	1,407,378	4,452,290	448,798	34,205	8,062,727
1992	96.20	17.94	10.87	19.71	42.00	186.72	2,062,917	1,461,616	4,874,623	448,259	182,655	9,030,070
1993	101.50	17.94	10.87	25.01	53.00	208.32	2,425,278	1,499,847	4,779,759	589,991	225,342	9,520,217
1994	101.60	17.94	10.87	25.31	71.00	226.72	2,502,348	1,534,552	4,664,524	609,458	307,625	9,618,507
1995	102.60	17.94	10.87	26.31	71.00	228.72	2,655,243	1,579,435	4,709,972	640,580	321,528	9,906,758

Notes:

Source: Grand Recapitulation prepared by Vernon Parish Tax Assessor

Table 6

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net General Obligation Bonded Debt per Capita

Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1986-87	62,269	\$ 69,891,080	\$ 16,468,000	\$ 2,318,012	\$ 14,149,988	20.2%	\$ 227
1987-88	63,010	70,813,890	16,045,000	1,407,333	14,637,667	20.7%	232
1988-89	62,477	73,447,280	15,030,360	1,289,451	13,740,909	18.7%	220
1989-90	61,574	74,846,080	14,495,930	1,356,678	13,139,252	17.6%	213
1990-91	61,961	77,725,250	13,896,520	1,470,131	12,426,389	16.0%	201
1991-92	62,509	78,448,940	13,311,520	1,209,442	12,102,078	15.4%	194
1992-93	63,385	81,471,950	12,742,000	1,381,415	11,360,585	13.9%	179
1993-94	59,584	83,602,977	14,338,000	1,344,044	12,993,956	15.5%	218
1994-95	56,083	85,537,530	13,530,417	1,306,208	12,224,209	14.3%	218
1995-96	54,303	88,039,350	12,725,795	1,254,110	11,471,685	13.0%	211

Notes:

(1) Source: Louisiana Tech University

(2) From Table 4

Table 7

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Statement of Direct, Overlapping, and Underlying General Bonded Debt
June 30, 1996

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to This Unit	School Board's Share of Debt (2)
Vernon Parish School Board (3)	\$ 11,471,685	100%	\$ 11,471,685
Vernon Parish Police Jury (3)	1,957,201	100%	1,957,201
Vernon Parish Sheriff (3)	2,141,287	100%	2,141,287
City of Leesville (3)	1,558,978	14%	218,257
Total	<u>\$ 17,129,151</u>		<u>\$ 15,788,430</u>

Notes:

- (1) Various taxing districts exist within Vernon Parish that involve a small percentage of Parish taxpayers. These districts' debt is not included.
- (2) This represents the debt of all the constituents who reside within Vernon Parish.
- (3) Financial information extracted from Annual Financial Report of respective government.

Table 8

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Computation of Legal Debt Margin
June 30, 1996

Assessed value (1)	\$ 88,039,350
Debt limitation - 35 percent of assessed value	30,813,773
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 12,725,795
Less: Assets in debt service funds	<u>1,254,110</u>
Total amount of debt applicable to debt limit	<u>11,471,685</u>
Legal debt margin	<u>\$ 19,342,088</u>

Notes:

(1) Vernon Parish Tax Assessor

Table 9

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures

Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
1986-87	\$ 415,000	\$ 1,313,306	\$ 1,728,306	\$ 32,387,136	5.34%
1987-88	493,000	1,349,913	1,842,913	31,114,499	5.92%
1988-89	515,000	1,133,899	1,648,899	36,354,315	4.54%
1989-90	534,700	1,148,699	1,683,399	41,445,455	4.06%
1990-91	599,410	1,115,966	1,715,376	41,583,547	4.13%
1991-92	525,000	1,002,406	1,527,406	46,126,023	3.31%
1992-93	569,520	1,002,175	1,571,695	47,012,211	3.34%
1993-94	878,861	842,575	1,721,436	50,260,177	3.43%
1994-95	807,583	794,503	1,602,086	58,776,228	2.73%
1995-96	804,621	804,566	1,609,187	54,374,190	2.96%

Notes:

(1) Includes all governmental funds.

Table 6

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net General Obligation Bonded Debt per Capita

Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1986-87	62,269	\$ 69,891,080	\$ 16,468,000	\$ 2,318,012	\$ 14,149,988	20.2%	\$ 227
1987-88	63,010	70,813,890	16,045,000	1,407,333	14,637,667	20.7%	232
1988-89	62,477	73,447,280	15,030,360	1,289,451	13,740,909	18.7%	220
1989-90	61,574	74,846,080	14,495,930	1,356,678	13,139,252	17.6%	213
1990-91	61,961	77,725,250	13,896,520	1,470,131	12,426,389	16.0%	201
1991-92	62,509	78,448,940	13,311,520	1,209,442	12,102,078	15.4%	194
1992-93	63,385	81,471,950	12,742,000	1,381,415	11,360,585	13.9%	179
1993-94	59,584	83,602,977	14,338,000	1,344,044	12,993,956	15.5%	218
1994-95	56,083	85,537,530	13,530,417	1,306,208	12,224,209	14.3%	218
1995-96	54,303	88,039,350	12,725,795	1,254,110	11,471,685	13.0%	211

Notes:

(1) Source: Louisiana Tech University

(2) From Table 4

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Statement of Direct, Overlapping, and Underlying General Bonded Debt
June 30, 1996

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to This Unit	School Board's Share of Debt (2)
Vernon Parish School Board (3)	\$ 11,471,685	100%	\$ 11,471,685
Vernon Parish Police Jury (3)	1,957,201	100%	1,957,201
Vernon Parish Sheriff (3)	2,141,287	100%	2,141,287
City of Leesville (3)	1,558,978	14%	218,257
Total	\$ 17,129,151		\$ 15,788,430

Notes:

- (1) Various taxing districts exist within Vernon Parish that involve a small percentage of Parish taxpayers. These districts' debt is not included.
- (2) This represents the debt of all the constituents who reside within Vernon Parish.
- (3) Financial information extracted from Annual Financial Report of respective government.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION

Schedule 12

For the Year Ended June 30, 1996

<u>FUNCTION</u>	<u>BALANCE</u> <u>JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1996</u>
Instruction	\$ 43,488,175	\$ 5,716,527	\$ 0	\$ 49,204,702
General Administration	499,219	171,608		670,827
Student Transportation	535,911	96,111		632,022
Food Service Operations	<u>2,114,638</u>	<u>28,955</u>		<u>2,143,593</u>
 Total Allocated to functions	 \$ <u>46,637,943</u>	 \$ <u>6,013,201</u>	 \$ <u>0</u>	 \$ <u>52,651,144</u>
 Construction in progress	 <u>4,335,232</u>	 <u>1,047,436</u>	 <u>5,382,668</u>	 <u>0</u>
 TOTAL GENERAL FIXED ASSETS	 \$ <u>50,973,175</u>	 \$ <u>7,060,637</u>	 \$ <u>5,382,668</u>	 \$ <u>52,651,144</u>

Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board

H. Financial Condition (Continued)

Fiduciary Activities

The Sales Tax Agency Fund comprises three-fourths of the School Board's Agency Fund activities. This fund accounts for sales tax collected on behalf of other taxing authorities in Vernon Parish. The School Activity Funds are held by the individual schools of the School Board to support school activities such as athletics and other student organizations. All School Activity Funds are audited annually.

I. Significant Changes in Financial Condition

General Fund revenues decreased by \$261,499 from the prior year amount of \$42,581,639. Changes were primarily due to the following:

- o Local sources were increased due to a \$544,302 increase in sales tax revenues.
- o An increase in state equalization funds of \$763,468 was offset by a decrease for the one-time state salary supplement received for the year ended June 30, 1995 of approximately \$900,000.
- o Federal sources decreased due to a decrease in Impact Aid funds received of \$700,000.

General Fund expenditures decreased \$441,301 from the prior year amount of \$42,938,641 due primarily to the following:

- o A one-time state salary supplement of approximately \$900,000 was paid to all employees for the year ended June 30, 1995.
- o Liability insurance increased \$204,000 for the year ended June 30, 1996.

Special revenue fund expenditures decreased by \$271,806 from the prior year amount of \$9,440,932. This decrease is due primarily to a decrease in expenditures for School Food Service and Maintenance Funds.

J. Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit and the Louisiana Asset Management Pool (L.A.M.P.) administered by the State Treasurer. The School Board earned interest revenue of \$257,566 on all investments for the year ended June 30, 1996.

The School Board's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were collateralized by instruments issued by the United States Government or Federal Government agencies created by an act of congress or insured by the Federal Deposit Insurance Corporation.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS-GENERAL AND SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1996

*****GENERAL FUND*****			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 629,294	\$ 629,295	\$ 1
Sales and use	5,608,037	5,608,037	0
Interest earnings	122,088	122,260	172
Food services	0	0	0
Other	58,065	58,065	0
State sources:			
Equalization	31,764,033	31,764,033	0
Other	938,399	938,762	363
Federal sources	4,558,787	3,658,789	(899,998)
TOTAL REVENUE	\$ 43,678,703	\$ 42,779,241	\$ (899,462)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 19,527,582	\$ 19,529,072	\$ (1,490)
Special programs	5,798,476	5,798,398	78
Other instructional programs	1,709,822	1,709,900	(78)
Support services:			
Student services	1,649,612	1,649,630	(18)
Instructional staff support	1,547,905	1,547,914	(9)
General administration	1,090,364	1,090,379	(15)
School administration	2,708,859	2,708,866	(7)
Business services	366,722	366,729	(7)
Plant services	3,957,807	3,957,821	(14)
Student transportation services	3,667,147	3,667,161	(14)
Central services	195,770	195,774	(4)
Food services	56,279	57,016	(737)
Community service programs	3,469	3,470	(1)
Facilities acquisition and construction	7,648	7,648	0
Total expenditures	\$ 42,287,462	\$ 42,289,778	\$ (2,316)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1,391,241	\$ 489,463	\$ (901,778)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement B

<u>CAPITAL PROJECT FUNDS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ 0	\$ 932,730
0	(932,730)
0	16,568
0	72,023
<u>0</u>	<u>(17,103)</u>
<u>\$ 0</u>	<u>\$ 71,488</u>
\$ (2,499)	\$ (713,405)
<u>\$ 3,999</u>	<u>\$ 2,643,618</u>
<u>\$ 1,500</u>	<u>\$ 1,930,213</u>

(CONCLUDED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 300,277	\$ 632,453	\$ 0
Operating transfers out	(762,672)	(170,058)	0
Other sources	12,848	3,720	0
Other sources - capital leases	0	72,023	0
Other uses	(16,933)	(170)	0
	\$ (466,480)	\$ 537,968	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (643,680)	\$ (15,127)	\$ (52,099)
FUND BALANCES AT BEGINNING OF YEAR	96,072	1,237,338	1,306,209
FUND BALANCES AT END OF YEAR	\$ (547,608)	\$ 1,222,211	\$ 1,254,110

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement B

CAPITAL PROJECT FUNDS	TOTAL (MEMORANDUM ONLY)
\$ 0	\$ 2,970,502
0	5,608,037
0	257,425
0	743,812
0	239,010
0	31,764,033
0	1,484,617
<u>1,044,937</u>	<u>10,521,861</u>
<u>\$ 1,044,937</u>	<u>\$ 53,589,297</u>

\$ 0	\$ 19,879,963
0	8,281,757
0	2,074,205
0	1,759,578
0	2,212,921
0	1,547,055
0	2,794,075
0	399,657
0	4,641,655
0	4,025,802
0	212,461
0	3,565,957
0	3,470
1,047,436	1,366,447
0	804,621
<u>0</u>	<u>804,566</u>

\$ 1,047,436 \$ 54,374,190

\$ (2,499) \$ (784,893)

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 629,295	\$ 759,768	\$ 1,581,439
Sales and use	5,608,037	0	0
Interest earnings	122,260	108,415	26,750
Food services	0	743,812	0
Other	58,065	180,945	0
State sources:			
Equalization	31,304,932	459,101	0
Other	938,762	545,855	0
Federal sources			
	3,658,789	5,818,135	0
 Total Revenues	 \$ 42,320,140	 \$ 8,616,031	 \$ 1,608,189
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 19,529,072	\$ 350,891	\$ 0
Special programs	5,798,398	2,483,359	0
Other instructional programs	1,709,900	364,305	0
Support services:			
Student services	1,649,630	109,948	0
Instructional staff support	1,547,914	665,007	0
General administration	1,297,941	198,013	51,101
School administration	2,708,866	85,209	0
Business services	366,729	32,928	0
Plant services	3,957,821	683,834	0
Student transportation services	3,667,161	358,641	0
Central services	195,774	16,687	0
Food services	57,016	3,508,941	0
Community service programs	3,470	0	0
Facilities acquisition and construction	7,648	311,363	0
Debt service:			
Principal retirement	0	0	804,621
Interest and bank charges	0	0	804,566
 Total Expenditures	 \$ 42,497,340	 \$ 9,169,126	 \$ 1,660,288
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (177,200)	 \$ (553,095)	 \$ (52,099)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

PROPRIETARY FUND – INTERNAL SERVICE	FIDUCIARY FUNDS – AGENCY FUNDS	*****ACCOUNT GROUPS*****		TOTAL (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
\$ 0	\$ 533,794	\$ 0	\$ 0	\$ 4,698,830
0	150,486	0	0	2,486,365
0	0	0	0	895,284
0	0	0	0	570,643
0	0	0	0	53,522
0	0	52,651,144	0	52,651,144
			1,254,110	1,254,110
<u>0</u>	<u>0</u>	<u>0</u>	<u>12,343,200</u>	<u>12,343,200</u>
<u>\$ 0</u>	<u>\$ 684,280</u>	<u>\$ 52,651,144</u>	<u>\$ 13,597,310</u>	<u>\$ 74,953,098</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,310,160
0	0	0	0	570,643
0	684,280	0	0	684,280
0	0	0	0	1,786
0	0	0	12,725,795	12,725,795
0	0	0	95,390	95,390
0	0	0	776,125	983,687
<u>\$ 0</u>	<u>\$ 684,280</u>	<u>\$ 0</u>	<u>\$ 13,597,310</u>	<u>\$ 20,371,741</u>
\$ 0	\$ 0	\$ 52,651,144	\$ 0	\$ 52,651,144
0	0	0	0	0
0	0	0	0	1,254,110
0	0	0	0	277,238
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>398,865</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 52,651,144</u>	<u>\$ 0</u>	<u>\$ 54,581,357</u>
<u>\$ 0</u>	<u>\$ 684,280</u>	<u>\$ 52,651,144</u>	<u>\$ 13,597,310</u>	<u>\$ 74,953,098</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1996

*****GOVERNMENTAL FUNDS*****				
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 2,399,575	\$ 510,098	\$ 1,253,863	\$ 1,500
Investments	1,301,640	1,034,239	0	0
Receivables	62,921	832,116	247	0
Interfund receivables	441,626	67,362	61,655	0
Inventory	0	53,522	0	0
Land, buildings and equipment	0	0	0	0
Other debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for payment of general long-term obligations	0	0	0	0
Total Assets and Other Debits	\$ 4,205,762	\$ 2,497,337	\$ 1,315,765	\$ 1,500
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts, salaries and other payables	\$ 4,516,853	\$ 793,307	\$ 0	\$ 0
Interfund payables	28,955	480,033	61,655	0
Deposits due others	0	0	0	0
Deferred revenues	0	1,786	0	0
Bonds payable	0	0	0	0
Capital lease payable	0	0	0	0
Compensated absences payable	207,562	0	0	0
Total Liabilities	\$ 4,753,370	\$ 1,275,126	\$ 61,655	\$ 0
Equity and other credits:				
Investments in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0
Retained earnings (deficit)				
Fund Balances:				
Reserved for debt services	0	0	1,254,110	0
Reserved for worker's compensation	277,238	0	0	0
Unreserved:				
Undesignated	(824,846)	1,222,211	0	1,500
Total Equity and Other Credits	\$ (547,608)	\$ 1,222,211	\$ 1,254,110	\$ 1,500
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 4,205,762	\$ 2,497,337	\$ 1,315,765	\$ 1,500

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT

Board Members
Vernon Parish School Board
Leesville, Louisiana

We have audited the accompanying general purpose financial statements of the Vernon Parish School Board as of and for the year ended June 30, 1996. These general purpose financial statements are the responsibility of the Vernon Parish School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Vernon Parish School Board as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 8, 1996 on our consideration of the Vernon Parish School Board's internal control structure and a report dated November 8, 1996 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund and account group statements and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Vernon Parish School Board. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. Also, the accompanying financial information listed in the table of contents as the Statistical Section is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Vernon Parish School Board. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on the information.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
November 8, 1996

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SELECTED ADMINISTRATIVE OFFICIALS
JUNE 30, 1996

Sammy L. Hinson

Superintendent of Schools

Dr. Larry Monk

Assistant Superintendent

William L. Endris, Jr.

Director of Finance

James Ward

Administrator of Support Services

Dottie Neugebauer

Director of Special Education

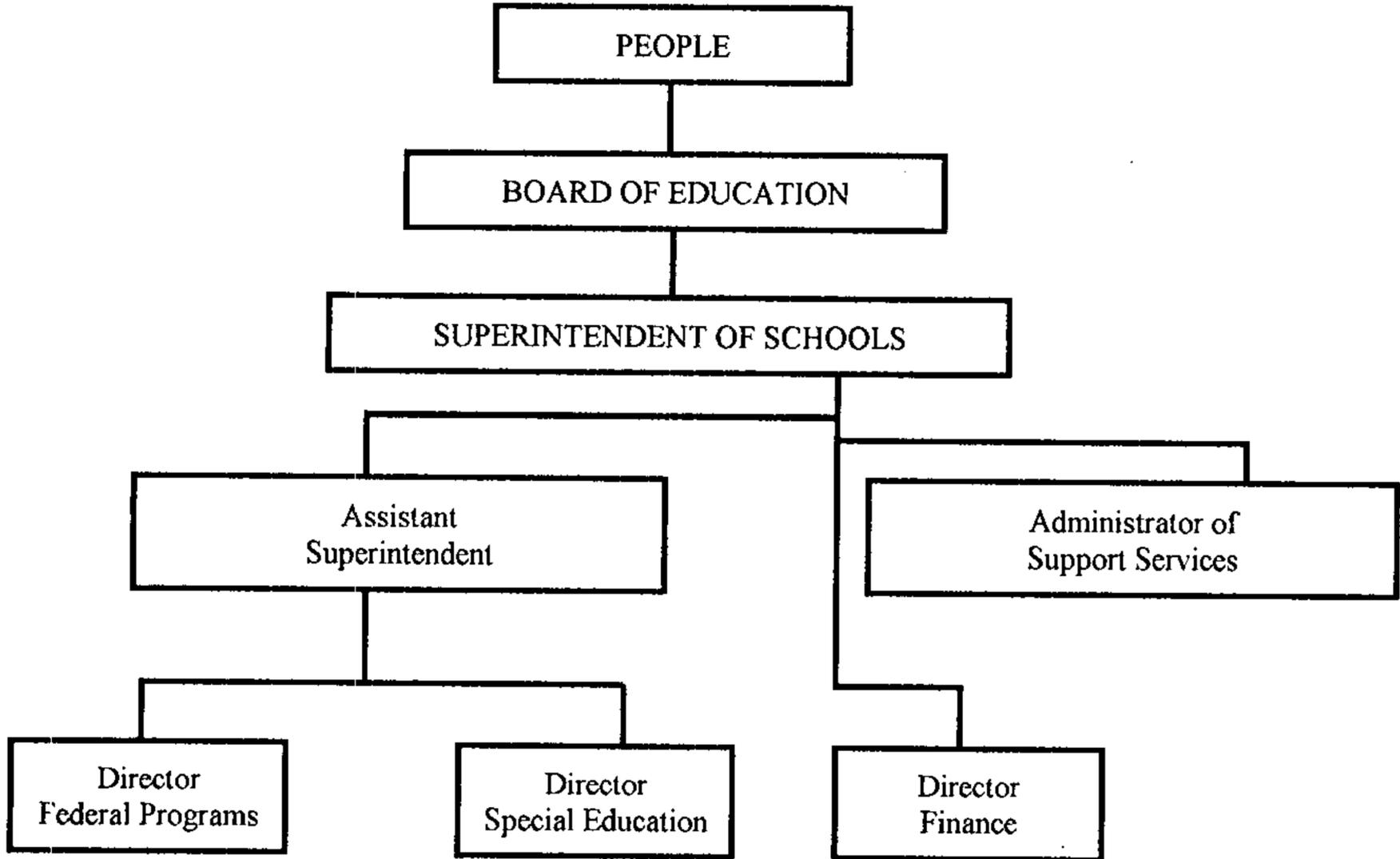
VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

ELECTED OFFICIALS
JUNE 30, 1996

<u>BOARD MEMBER</u>	<u>DISTRICT</u>
Mark H. Smith, President	1
Willis A. Farris, Vice President	3
Richard W. Dickie Bailes	1
Gerald Burns	1
Alvin C. "Chuck" Dowden, Jr.	1
M. Gene Haymon	1
C. A. Hughes	1
Kim Reese	1
Linda West	1
Betty Westerchil	1
W. W. "Bill" Parker	2
Murphy O'Banion	4
B. R. Harvey	5
Philip L. Gunn	6
Benard McKee	7

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

ORGANIZATION CHART



Statement C

*****SPECIAL REVENUE FUNDS*****

BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 759,762	\$ 759,768	\$ 6
0	0	0
108,412	108,415	3
749,594	743,812	(5,782)
181,430	180,945	(485)
10,000	0	(10,000)
538,759	545,855	7,096
<u>5,819,422</u>	<u>5,818,135</u>	<u>(1,287)</u>
<u>\$ 8,167,379</u>	<u>\$ 8,156,930</u>	<u>\$ (10,449)</u>

\$ 353,785	\$ 350,891	\$ 2,894
2,483,940	2,483,359	581
363,794	364,305	(511)
109,941	109,948	(7)
664,983	665,007	(24)
198,000	198,013	(13)
85,197	85,209	(12)
32,924	32,928	(4)
683,799	683,834	(35)
286,600	286,618	(18)
16,687	16,687	0
3,508,821	3,508,941	(120)
(29)	0	(29)
<u>311,356</u>	<u>311,363</u>	<u>(7)</u>

\$ 9,099,798 \$ 9,097,103 \$ 2,695

\$ (932,419) \$ (940,173) \$ (7,754)

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 22 - LITIGATION AND CLAIMS

Litigation

At June 30, 1996, the School Board is involved in various litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

Self-Insurance

The School Board is partially self-insured for workers' compensation. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$150,000 per occurrence for each employee.

Grant Disallowances

The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Tax Arbitrage Rebate

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

NOTE 23 - DEFEASANCE OF DEBT

The School Board defeased in prior years and the current year certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statements. On June 30, 1996, \$5,090,000 of bonds outstanding are considered defeased.

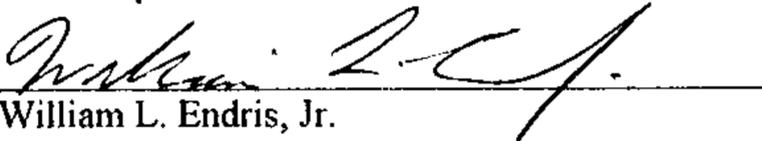
NOTE 24 - DEFERRED COMPENSATION

Under the guidelines established in accordance with the Internal Revenue Code Section 457, the School Board has two deferred compensation plans which are administered by First Financial Administrators on behalf of all participating employees. The plans, mandatory for part-time, seasonal and temporary employees and voluntary for all other employees, permits them to defer a portion of their salary until future years. The deferred pay and any income earned on it is not subject to income taxes until actually received by the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board

O. Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the assistance of the School Board's external auditors, Allen, Green & Robinette, L.L.P. We want to express our appreciation to them for their assistance. We also thank the members of the School Board for their interest and support in planning and conducting the financial operations of the school system in a responsible and progressive manner.


William L. Endris, Jr.
Director of Business Affairs

Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board

H. Financial Condition (Continued)

Special revenue funds expenditures by function were:

<u>Item</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1995</u>
Instruction	\$3,973,510	43.3	\$(68,731)
General administration	198,013	2.2	(33,383)
School administration	85,209	1.0	5,078
Business services	32,928	.3	(2,138)
Plant services	683,834	7.5	(328,973)
Student transportation services	358,641	3.9	143,425
Central services	16,687	.1	8,747
Food services	3,508,941	38.3	(141,937)
Community service programs	-	-	(6,169)
Facility acquisition and construction	<u>311,363</u>	<u>3.4</u>	<u>152,275</u>
	<u>\$9,169,126</u>	<u>100.0</u>	<u>\$(271,806)</u>

Debt Service Activities

The changes in general long-term obligations are as follows:

	<u>July 1, 1995</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 1996</u>
General obligation bonds	\$13,530,416	\$ -	\$804,621	\$12,725,795
Capital lease payable	49,758	72,023	26,391	95,390
Compensated absences payable	<u>804,403</u>	<u>-</u>	<u>28,278</u>	<u>776,125</u>
	<u>\$14,384,577</u>	<u>\$72,023</u>	<u>\$859,290</u>	<u>\$13,597,310</u>

Capital Projects

All major capital improvements are accounted for in the Capital Projects Fund. During the year ended June 30, 1996, capital expenditures were made in the amount of \$1,047,436. The majority of these funds were expended on the construction of a new elementary school. This project was funded with federal funds in the amount of \$1,044,937.

Proprietary Fund Activities

The School Board maintained an Internal Service Fund to account for group health insurance. Effective June 1, 1995 the School Board discontinued the Self-Insured Employees' Group Health Insurance Plan and placed the insurance with an insurance carrier. The fund was closed out in the 1995-1996 fiscal year.

Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board

H. Financial Condition

General Educational Functions

General educational activities which are accounted for in the General Fund are supported principally by local taxes and state entitlements. Substantial sums of federal aid are made available to the Louisiana Department of Education which are subsequently distributed to local entities. General Fund revenues are as follows:

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1995</u>
Local	\$ 6,417,657	15.2	\$ 407,547
State	32,243,694	76.2	70,553
Federal	3,658,789	8.6	(739,599)
	<u>\$42,320,140</u>	<u>100.0</u>	<u>\$(261,499)</u>

General fund expenditures by function were as follows:

<u>Item</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1995</u>
Instruction	\$30,234,914	71.1	\$(889,039)
General administration	1,297,941	3.1	395,752
School administration	2,708,866	6.4	113,259
Business services	366,729	.9	(27,234)
Plant services	3,957,821	9.3	58,447
Student transportation services	3,667,161	8.6	(155,158)
Central services	195,774	.5	42,140
Food services	57,016	.1	11,547
Community services	3,470	.0	2,568
Facilities acquisition and construction	7,648	.0	6,417
	<u>\$42,497,340</u>	<u>100.0</u>	<u>\$(441,301)</u>

The fund deficit in the General Fund of \$547,608 includes a reserve of \$277,238 for workers' compensation. The decrease in fund balance of \$643,680 is mainly attributable to a decrease in Impact Aid funding for the 1995-1996 school year.

Special Revenue Activities

Special Revenues of \$8,616,031, including \$1,004,956 of state sources, \$1,792,940 of local sources, and \$5,818,135 of Federal sources, were restricted for use in twenty-five separate activities. The School Food Service Fund accounts for \$3,234,465 of these revenues. The School Lunch Program is administered by this fund. Of the remaining revenues, \$1,606,977 funded the Title I program for educationally deprived students and \$1,120,585 funded the Head Start program for economically disadvantaged preschool children. The remainder was designed primarily to: (1) provide instructional and related services to handicapped children and (2) provide extended day remedial instruction including books, tapes and audiovisual hardware and software for general student population.

Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board

F. Internal Control

Management of the School Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

We believe that the School Board's accounting controls provide reasonable assurance that errors or irregularities to the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions.

As a recipient of Federal, state and local financial assistance, the School Board also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

As a part of the School Board's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal financial assistance programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 1996 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

G. Budgetary Controls

In addition, the School Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. School Board policy provides that expenditures within a fund may not exceed appropriations by more than five percent. Revisions to the budget enacted require School Board approval.

As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board

D. Economic Condition and Outlook (Continued)

This area's proximity to a wealth of natural resources is the next largest economic influence and one with tremendous growth potential. With a \$40 million economic impact, forestry is chief among the industries driven by the climate and vegetation of Vernon Parish. Other industries necessitated by forestry, such as freight and processing, led to the creation of two industrial sites. Infrastructure improvements to Leesville Northside Industrial Park were completed in January 1995. Five motor freight carriers serve Vernon Parish, and Lake Vernon has an ample water supply for industrial purposes. Other lakes and the over 84,000 acres of Kisatchie National Forest are also contained in Vernon Parish, all of which are abundant with game and fish. The geography of Vernon Parish is rich with opportunities for augmentation of existing resources for both recreational and industrial applications.

There are four home health agencies in Vernon Parish. Retirees from the military facility, low crime rate, low cost of living, access to medical facilities, several recreation areas and parks, and new inheritance laws have led to an increase in retiree population for Vernon Parish. Existing facilities have undergone construction and increased their number of employees to accommodate the elderly population.

Educational facilities in the immediate area are geared toward practical education with programs aimed specifically at future employment possibilities for students. A branch of Louisiana Technical College is located in Vernon Parish, and six colleges are located seventy miles or less from the Leesville-Fort Polk area. The Parish Library recently relocated to a newly constructed facility and added electronic reference, Internet access, and connections to university library holdings throughout the state.

E. Major Initiatives

For the Year

The School Board received a Special Federal Statutory Grant in the 1994-1995 school year to construct an elementary school on the Fort Polk Military Base. Construction on the school was completed in the summer of 1995 and the school was open for the 1995-1996 school year.

Due to the recent changes to the Elementary and Secondary Education Act (ESEA) the School Board implemented six schoolwide projects for Title I for the 1995-1996 school year. Schools participating in schoolwide projects are able to use Title I funds, as well as combine most of the school's federal education funds to upgrade the entire educational program of the school and to raise academic achievement for all students. Schoolwide programs are not required to track federal funds separately at the individual school level thus providing greater flexibility in the use of federal funds.

For the Future

Vernon Parish cares about education and has a tradition of pride in its schools. That tradition will be continued through a commitment to innovation in learning programs. We must continue to seek out new methods to insure success for every student.

Vernon Parish School Board receives federal Impact Aid funding due to the Fort Polk military installation being located in Vernon Parish. The amount of aid received can fluctuate. This uncertainty provides a challenge in addressing the problems shared by many school systems across America - teacher's salaries and school plant improvement. Effective and decisive leadership will be required to address these problems given the fluctuation in Impact Aid funding.

Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board

B. CAFR (Continued)

Combining Statements are presented when a School Board has more than one fund of a given fund type. Various statements are also used to demonstrate finance related legal and contractual compliance, present other information deemed useful, and provide details of data summarized in the financial statements.

(3) The Statistical Section. Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Vernon Parish School Board for the past ten years.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments. Information related to this single audit includes the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

The School Board provides a full range of educational services appropriate to grade levels K through 12. These include regular and enriched academic education, special education for handicapped youngsters, occupational education, and many individualized programs such as specialized instruction for disadvantaged students and those with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in the fine arts and athletics.

C. Reporting Entity

The report includes all entities or organizations that are required to be included in the School Board's reporting entity. The basic criteria for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the Vernon Parish School Board (the primary government). Based on the above criteria there are no component units included in the School Board's reporting entity.

D. Economic Condition and Outlook

The economy of Vernon Parish is driven primarily by the Fort Polk military installation, the fifth largest such facility in the nation. Over half the 16,810-person work force of Vernon Parish is comprised of active duty military personnel, and an additional 5,096 civilians are also employed by the base. Aside from its \$617 million annual direct economic impact on Vernon Parish, Fort Polk indirectly influences the area's economy as well. One-third of the population of Vernon Parish is comprised of military personnel or their families living on- or off-base. This influx of career- and family-age population gives the area a relatively low median age, a factor which appeals to companies seeking to build industrial and manufacturing establishments. The large military population has also drawn specialists to both Bayne-Jones Army Community Hospital and civilian medical practice, giving the Vernon Parish area substantially better medical and health care technology.

Vernon Parish School Board

201 Belview Road
LEESVILLE, LOUISIANA 71446
(318) 239-3401
Fax (318) 238-5777

November 8, 1996

Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

Dear Board Members:

The Comprehensive Annual Financial Report of the Vernon Parish School Board (School Board) for the year ended June 30, 1996, is submitted herewith. This report has been prepared by Finance Department personnel following the guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada.

A. Management Responsibility

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

B. CAFR

The Comprehensive Annual Financial Report (CAFR) consists of three parts:

(1) The Introductory Section. This section includes a transmittal letter, information on financial reporting achievements, the School Board's organizational structure, recognition of the elected officials of the School Board and a list of selected administrative officials.

(2) The Financial Section. The School Board's financial statements and schedules are presented in accordance with the financial reporting pyramid set forth by the Governmental Accounting Standards Board. The Financial Section consists of both general purpose financial statements, which present an overview and broad perspective of the School Board as a whole and more detailed combining and individual fund financial statements.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-2-97

Mark H. Smith
President

Sammy L. Hinson
Superintendent

Dr. Larry Monk
Assistant Superintendent

William L. Endris, Jr.
Director of Finance

Prepared by the Department of Finance

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Mr. Mark H. Smith, President
and Members of the Board
Vernon Parish School Board

K. Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the School Board's debt position. Net bonded debt represents total bonded debt of \$12,725,795 less assets in the debt service fund of \$1,254,110. This data as of June 30, 1996 is as follows:

	<u>Amount</u>	Ratio of debt to <u>Assessed Value</u>	<u>Debt per Capita</u>
Net direct general obligation bonded debt	<u>\$11,471,685</u>	<u>13%</u>	<u>\$211</u>

The School Board maintained a Baa bond rating from Moody's Investors Service.

L. Risk Management

The School Board maintains a combination of self-insurance and stop-loss coverage for workers' compensation insurance. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$150,000.

M. Independent and Internal Audits

The report of our independent certified public accountants, Allen, Green & Robinette, L.L.P., follows as an integral component of this report. Their audit of the general purpose financial statements and accompanying combining and individual fund and account group statements and schedules was performed in accordance with generally accepted auditing standards and, accordingly, included a review of the School Board's system of budgetary and accounting controls.

N. Awards

The Government Finance Officers Association of the United States and Canada (GFOA) issues a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) issues a Certificate of Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded these certificates, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. These certificates are valid for a period of one year only. We believe our current report will conform to the certificate requirements, and we are for the first time submitting it to both GFOA and ASBO.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 4 - LEVIED TAXES (Continued)

District maintenance and operations taxes:

<u>Ward</u>	<u>Date of Voter Approval</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
1	April 29, 1995	13.03	13.03	2005
2 Hornbeck	April 29, 1995	13.32	13.32	2005
2 Orange	April 29, 1995	13.24	13.24	2005
3	May 1, 1993	13.00	13.00	1997
4 Pickering	March 26, 1994	13.98	13.98	2003
5	March 26, 1994	13.37	13.37	2003
6	March 26, 1994	12.59	12.59	2003
7	March 10, 1992	13.00	13.00	1996
8	March 26, 1994	13.48	13.48	2003

District sinking fund taxes:

1	Variable	12.00	2003
2 Hornbeck	Variable	45.00	2013
2 Orange	Variable	62.00	2008
3	Variable	27.00	2022
4 Pickering	Variable	32.00	2015
5	Variable	56.00	2012
6	Variable	28.00	2024
7	Variable	46.00	2015
8	Variable	83.00	2008

NOTE 5 - DEPOSITS AND INVESTMENTS

At year-end, the School Board's carrying amount of deposits was \$4,698,830 and the bank balance was \$8,236,749. Of the bank balance, \$424,934 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. Of the remaining balance, \$7,811,815 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

Statement C

*****SPECIAL REVENUE FUNDS*****			
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
\$ 1,091,056	\$ 1,091,554	\$	498
(170,143)	(170,058)		85
3,719	3,720		(1)
<u>(169)</u>	<u>(170)</u>		<u>1</u>
\$ 924,463	\$ 925,046	\$	583
\$ (7,956)	\$ (15,127)	\$	(7,171)
<u>1,201,953</u>	<u>1,237,338</u>		<u>35,385</u>
\$ 1,193,997	\$ 1,222,211	\$	28,214

(CONCLUDED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 15 - INTERFUND ASSETS/LIABILITIES

Interfund receivable/payable:

<u>Fund</u>	<u>Receivable Amount</u>	<u>Payable Amount</u>
General	\$ 441,626	\$ 28,955
Special Revenue:		
Title I		173,095
Title VI		8,100
Bilingual Education - Title VII		88
Math and Science - Title II		756
Head Start		132,229
Preschool	17,345	22,911
Other Special Funds		2,406
Job Training Partnership Act (JTPA)	6,136	5,901
8G State Funds	18,624	48,558
Drug-Free Schools		20,070
Adult Education	22,636	37,332
Vocational Education		10,059
Special Education	2,348	18,255
Ward 6	273	
Ward 7		273
Debt Service:		
Ward 4	61,655	
Ward 5	_____	61,655
	<u>\$570,643</u>	<u>\$570,643</u>

NOTE 16 - RESERVED AND DESIGNATED FUND BALANCES

The School Board entered into a security agreement with the State of Louisiana Office of Workers' Compensation (OWC) Department of Employment and Training that grants to OWC a security interest in the School Board's \$272,238 U. S. Government Security. The security interest is to secure the prompt payment of all present and future obligations, including, but not limited to, prompt payment of workers' compensation payments, the furnishing of medical treatment, and or any other requirement under the provisions of the Louisiana Workers' Compensation Act and Rules of the OWC Fiscal Responsibility Unit. The following is a summary of transactions relating to the reserved and designated fund balances for the year ended June 30, 1996:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 14 - GENERAL LONG-TERM OBLIGATIONS (Continued)

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 1996, the School Board has accumulated \$1,254,110 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
1997	\$ 665,566	\$ 748,927	\$ 1,414,493
1998	711,543	705,757	1,417,300
1999	753,138	658,448	1,411,586
2000	784,672	621,953	1,406,625
2001	841,601	582,863	1,424,464
2002-2006	4,015,185	2,235,150	6,250,335
2007-2011	2,307,848	1,257,076	3,564,924
2012-2015	1,578,825	537,318	2,116,143
2016-2021	715,281	211,144	926,425
2022-2024	<u>352,136</u>	<u>34,072</u>	<u>386,208</u>
Total	<u>\$12,725,795</u>	<u>\$7,592,708</u>	<u>\$20,318,503</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 1996, the statutory limit is \$30,813,773 and outstanding bonded debt totals \$12,725,795.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 14 - GENERAL LONG-TERM OBLIGATIONS

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
WARD 1					
March 1, 1976	\$ 2,000,000	6.00	2001	\$ 4,500	\$ 25,000
March 1, 1977	220,000	5.00	2002	5,250	30,000
March 1, 1992	1,020,000	5.90 - 6.50	2003	205,665	765,000
WARD II - ORANGE					
June 1, 1988	1,815,000	7.60 - 7.80	1998	17,800	150,000
February 3, 1994	1,470,000	3.75 - 5.20	2008	512,265	1,380,000
WARD II - HORNBECK					
June 1, 1988	855,000	7.60 - 7.80	1998	11,600	100,000
April 6, 1989	483,450	11.00	2013	620,973	473,580
February 3, 1994	550,000	3.75 - 4.90	2005	138,440	510,000
WARD III					
April 30, 1982	1,438,000	5.00	2022	1,005,000	1,235,000
WARD IV					
March 1, 1976	490,000	6.00	2001	900	5,000
October 10, 1984	1,605,000	7.25	2014	1,217,275	1,395,000
June 1, 1988	1,355,000	7.60 - 7.80	1998	15,860	135,000
February 3, 1994	995,000	3.75 - 5.00	2006	285,090	935,000
WARD V					
June 1, 1988	950,000	7.60 - 7.80	1998	13,920	120,000
April 6, 1989	662,180	11.00	2012	722,290	602,130
February 3, 1994	585,000	3.75 - 4.75	2004	134,480	545,000
WARD VI					
November 16, 1993	1,500,000	5.126	2024	1,371,495	1,400,085
WARD VII					
June 1, 1988	715,000	7.60 - 7.80	1998	10,060	85,000
February 3, 1994	1,805,000	3.75 - 5.60	2015	887,345	1,655,000
WARD VIII					
June 1, 1988	1,365,000	7.60 - 7.80	1998	\$ 12,380	\$ 105,000
February 3, 1994	1,150,000	3.75 - 5.20	2008	<u>400,120</u>	<u>1,075,000</u>
Total				<u>\$7,592,708</u>	<u>\$12,725,795</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 13 - LEASES

The school board records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

<u>Type:</u>	<u>Lease dates</u>		<u>Total</u>
	<u>Sept. 8, 1994</u>	<u>Sept. 20, 1995</u>	
School Buses	<u>\$64,200</u>	<u>\$72,023</u>	<u>\$136,223</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1996:

	<u>School Bus</u>	<u>School Bus</u>	<u>Total</u>
Fiscal year:			
1997	\$14,442	\$16,147	\$ 30,589
1998	14,442	16,147	30,589
1999	14,442	16,147	30,589
2000	<u>-</u>	<u>16,147</u>	<u>16,147</u>
Total minimum lease	43,326	64,588	107,914
Less amounts representing executory costs	<u>-</u>	<u>-</u>	<u>-</u>
Net minimum lease payments	43,326	64,588	107,914
Less amounts represent interest	<u>3,812</u>	<u>8,712</u>	<u>12,524</u>
 Present value of net minimum lease payments	 <u>\$39,514</u>	 <u>\$55,876</u>	 <u>\$ 95,390</u>

NOTE 14 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1996:

	<u>Bonded Debt</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance at beginning of year	\$13,530,417	\$49,758	\$804,403	\$14,384,577
Additions	-	72,023	-	72,023
Deductions	<u>804,621</u>	<u>26,391</u>	<u>28,278</u>	<u>859,290</u>
Balance at end of year	<u>\$12,725,795</u>	<u>\$95,390</u>	<u>\$776,125</u>	<u>\$13,597,310</u>

All School Board bonds outstanding at June 30, 1996, in the amount of \$12,725,795, are general obligation bonds with maturities from 1998 to 2024 and interest rates from 3.75 to 11.0 percent. Bond principal and interest payable in the next fiscal year are \$665,566 and \$748,927, respectively. The individual issues are as follows:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

In accordance with State statutes, the Vernon Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the Foundation Health Plan, whose monthly premiums are paid jointly by the employee and by the School Board. The School Board recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due, which totaled \$3,289,452. The cost of retiree benefits included in these expenditures was \$268,069 for 193 retirees.

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$5,310,160 at June 30, 1996, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Salaries	\$3,915,285	\$508,472	\$4,423,757
Accounts	<u>601,568</u>	<u>284,835</u>	<u>886,403</u>
	<u>\$4,516,853</u>	<u>\$793,307</u>	<u>\$5,310,160</u>

NOTE 11 - COMPENSATED ABSENCES

At June 30, 1996, employees of the School Board have accumulated and vested \$983,687 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$776,125 is recorded within the general long-term debt account group since the amount is not expected to be paid from current available resources.

NOTE 12 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	<u>Balance at Beginning Of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance At End Of Year</u>
Agency funds:				
School activity Fund	\$464,822	\$ 2,092,987	\$ 2,027,638	\$530,171
Scholarship Fund	1,911	3,212	1,500	3,623
Employee Insurance Fund	1,955	13,028	14,983	-
Deferred Compensation Fund	-	155,324	4,838	150,486
Sales Tax Fund	-	<u>11,241,063</u>	<u>11,241,063</u>	<u>-</u>
	<u>\$468,688</u>	<u>\$13,505,614</u>	<u>\$13,290,022</u>	<u>\$684,280</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 8 - RETIREMENT SYSTEMS (Continued)

TRS.....			<u>Total</u>
	<u>Regular</u>	<u>Plan A</u>	<u>LSERS</u>	
Employee contribution	\$ 2,210,587	\$ 50,732	\$ 227,634	\$ 2,488,953
Employer contribution	4,560,112	91,982	215,082	4,867,176
Total covered payroll	27,632,175	557,484	3,584,793	31,774,452

Although contributions are determined by statute, actuarial contributions are determined for the Systems. For the year ended June 30, 1995, the latest information available, the Systems' (TRS and LSERS) actuarially required contribution from all sources was \$391.7 million and \$10.7 million, respectively. The required School Board's contribution represents 16.16 and 5.23 percent, respectively, of salaries for the year ended June 30, 1995.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among PERS and employers. The Systems (TRS and LSERS) do not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligations at June 30, 1995 for the Systems each as a whole, the Systems' net assets available for benefits on that date (valued at market) and the resulting unfunded (overfunded) pension benefit obligations were as follows:

	<u>TRS</u>	<u>LSERS</u>
Pension Benefit Obligation	\$10,570,300,000	\$ 834,345,876
Net Assets Available for Benefits	<u>6,081,700,000</u>	<u>962,833,541</u>
Unfunded (Overfunded) Pension Benefit Obligation	<u>\$ 4,488,600,000</u>	<u>\$(128,487,665)</u>

The School Board's total actuarially determined contribution requirements as a percentage of total contributions required of all entities for the year ended June 30, 1996 were as follows:

Teachers' Retirement System	1.16%
School Employees' Retirement System	1.75%

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the Systems' respective June 30, 1995 annual financial report, which is the latest available report.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 8 - RETIREMENT SYSTEMS (Continued)

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with 10 years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally 3% times the years of creditable service times the retirees' average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the Louisiana School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55, or after 10 years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Benefits of the systems are funded by employee and employer contributions. The contribution rates (as a percentage of covered salaries) are established by state law as follows:

	<u>Employee</u>	<u>Employer</u>
LA Teachers' Retirement System:		
Regular	8.00%	16.50%
Plan A	9.10%	16.50%
LA School Employees' Retirement	6.35%	6.00%

The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by the State of Louisiana through annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the State of Louisiana.

Benefits granted by the retirement systems are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. For the year ended June 30, 1996, the payroll for the School Board totaled \$36,478,206. The employer contributions and total payroll of covered employees for 1996 follow:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the School Board's name.

At year end, the School Board investment balances were as follows:

	Category			<u>Carrying Amount</u>	<u>Market Value</u>
	1	2	3		
U.S. government securities	\$277,238	\$ -	\$ -	\$ 277,238	\$ 277,238
Noncategorized					
Deferred compensation plan				150,486	150,486
L.A.M.P.				<u>2,058,641</u>	<u>2,058,641</u>
				<u>\$2,486,365</u>	<u>\$2,486,365</u>

Due to higher cash flows at certain times during the year, the School Board's investment in U. S. treasury bills for which the underlying securities were held by the School Board, increased significantly. As a result, the amounts that were in category 1 at those times were substantially higher than at year end.

A reconciliation of cash and investments as shown on the Combined Balance Sheet is as follows:

Carrying amount of deposits	\$4,698,830
Carrying amount of investments	<u>2,486,365</u>
Total	<u>\$7,185,195</u>
Cash and cash equivalents	\$4,698,830
Investments	<u>2,486,365</u>
Total	<u>\$7,185,195</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 16 - RESERVED AND DESIGNATED FUND BALANCES (Continued)

	<u>Reservation for Workers' Compensation Security Deposit</u>	<u>Designation for Self-Insurance</u>
Balance at July 1, 1995	\$ -	\$5,205
Additions	277,238	-
Deletions	<u>-</u>	<u>5,205</u>
Balance at June 30, 1996	<u>\$277,238</u>	<u>\$ -</u>

NOTE 17 - BEGINNING FUND BALANCE

The beginning fund balance for the general fund consists of the following:

Fund balance beginning of year - General Fund	\$89,903
Retained earnings beginning of year - Workers' Compensation Insurance Internal Service Fund	<u>6,169</u>
	<u>\$96,072</u>

For the year ended June 30, 1995, the workers' compensation self insurance was reported in an internal service fund. For the year ended June 30, 1996, the workers' compensation self insurance is reported in the general fund to be consistent with reporting for the Annual Financial and Statistical Report filed with the State Department of Education.

NOTE 18 - INTERFUND TRANSFERS

Operating transfers for the year ended June 30, 1996 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$300,277	\$762,672
Special Revenue:		
Bilingual Education Title VII	572	78,602
School Food Service	547,022	
Sales Tax	943	90,943
Adult Education	545	
Food Processing Centers	487	26
Ward 2 - Hornbeck Maintenance	26,182	
Ward 3 Maintenance		487
Ward 6 Maintenance	26	
Ward 7 Maintenance	<u>56,676</u>	<u>-</u>
Totals	<u>\$932,730</u>	<u>\$932,730</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 4 - LEVIED TAXES (Continued)

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the General Fund, Maintenance Funds (Special Revenue) and Debt Service Funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the Parish Tax Assessor in November of each year, therefore, the amount of 1996 property taxes to be collected occurs in December and January and February of the next year. As a result, no property taxes receivable for 1996 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Date of Voter Approval</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:				
Constitutional	Statutory	3.70	3.70	Statutory
Maintenance and operation	April 29, 1995	7.17	7.17	2005

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 3 - EXPENDITURES - ACTUAL AND BUDGET (Continued)

<u>Fund</u>	<u>Unfavorable Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue Funds: (Continued)			
Adult Education			
Current:			
Instruction:			
Other instructional programs	108,619	109,167	548

The budget was adopted in whole numbers causing a small variance in all budget to actual comparisons.

NOTE 4 - LEVIED TAXES

The School Board levies taxes on real and business personal property located within Vernon Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Vernon Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Vernon Parish Sheriff's office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Assessment Date	January 1, 1995
Millage rates adopted	August 8, 1995
Levy date	September 25, 1995
Tax bills mailed	On or about October 15, 1995
Due date	December 31, 1995
Lien date	January 1, 1996
Tax sale - 1995 delinquent property	On or about May 1, 1996

Assessed values are established by the Vernon Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1992. Total assessed value was \$88,039,350 in calendar year 1995. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$29,728,590 of the assessed value in calendar year 1995.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. NEW APPLICABLE GASB PRONOUNCEMENTS

In November 1994, the GASB issued Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" (GASB 27). GASB 27 prescribes changes in pension accounting and disclosure requirements for employers participating in single employer/agent multiple defined benefit plans, cost sharing multiple employer defined benefit plans, and defined contribution plans. The School Board sponsors a multiple-employer defined contribution plan which has some characteristics of a defined benefit pension plan. GASB 27 is effective for fiscal years beginning after June 15, 1997. The School Board has not yet determined when GASB 27 will be adopted or determined the effects of adoption.

NOTE 2 - FUND DEFICIT

The following funds have a deficit in the fund balance/retained earnings at June 30, 1996:

<u>Fund</u>	<u>Deficit Amount</u>
General Fund	<u>\$547,608</u>

Early in the 1996-1997 fiscal year the School Board received \$457,270 in Impact Aid, which was expected in the year 1995-1996 and would have avoided the deficit fund balance if the amount had been received when expected.

NOTE 3 - EXPENDITURES - ACTUAL AND BUDGET

Many functional categories reflected unfavorable budget variances of less than \$100. Because these amounts are immaterial, both individually and collectively, they have not been listed below. The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1996:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Current:			
Instruction:			
Regular programs	\$19,527,582	\$19,529,072	\$1,490
Food services	56,279	57,016	737
Special Revenue Funds			
School Food Service			
Current:			
Food services	3,508,731	3,508,851	120
8G State Funds			
Current:			
Instruction:			
Special programs	112,305	112,627	322

VERNON PARISH SCHOOL BOARD

Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

INTRODUCTION

The Vernon Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Vernon Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of twelve members who are elected from eight districts for terms of four years.

The School Board operates seventeen schools within the parish with a total enrollment of 11,320 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Vernon Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the School Board are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Funds of the School Board are classified into three categories: governmental, proprietary and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
Statement of Revenues, Expenses and Changes
In Retained Earnings (Deficit)
For the Year Ended June 30, 1996

Statement D

OPERATING REVENUES	
Premiums	\$ 338,635
Recoveries	<u>388,955</u>
Total operating revenues	<u>\$ 727,590</u>
OPERATING EXPENSES	
Administration	\$ 10,283
Claims	<u>154,676</u>
Total operating expenses	<u>\$ 164,959</u>
Operating income (loss)	<u>\$ 562,631</u>
NONOPERATING REVENUES	
Earnings on investments	<u>141</u>
Net income (loss)	\$ 562,772
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR	<u>(562,772)</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 0</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE IN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 6 - RECEIVABLES

The receivables of \$895,284 at June 30, 1996, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
Taxes: Ad valorem	\$ 172	\$ 207	\$ 247	\$ 626
Intergovernmental - grants:				
Federal	16,151	757,465	-	773,616
State	35,219	57,005	-	92,224
Other	<u>11,379</u>	<u>17,439</u>	<u>-</u>	<u>28,818</u>
Total	<u>\$ 62,921</u>	<u>\$832,116</u>	<u>\$ 247</u>	<u>\$895,284</u>

NOTE 7 - FIXED ASSETS

The changes in general fixed assets are as follows:

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
Land	\$ 235,944	\$ 15,000	\$ -	\$ 250,944
Building	38,870,481	5,384,422	-	44,254,903
Furniture and equipment	7,531,518	613,779	-	8,145,297
Construction In Progress	<u>4,335,232</u>	<u>1,047,436</u>	<u>5,382,668</u>	<u>-</u>
Total	<u>\$50,973,175</u>	<u>\$7,060,637</u>	<u>\$5,382,668</u>	<u>\$52,651,144</u>

NOTE 8 - RETIREMENT SYSTEMS

Substantially all School Board employees participate in either the Teachers' Retirement System or the Louisiana School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Each system is administered and controlled at the State level by a separate board of trustees, with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. **General Fund** — the general operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special revenue funds** — account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. **Debt service funds** — account for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.
4. **Capital projects funds** — account for the acquisition of fixed assets or construction.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The School Board has one proprietary fund which is as follows:

Internal Service Fund — accounts for the financing of goods or service provided by one department to other departments on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

1. **School Activity Agency Fund** - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

2. **Scholarship Agency Fund** - accounts for voluntary employee contributions and is used to provide an annual scholarship for a graduate from the parish schools.
3. **Employee Insurance Agency Fund** - accounts for monies deducted from employee payroll for group health insurance.
4. **Sales Tax Agency Fund** - accounts for monies collected on behalf of other taxing authorities within the parish.
5. **Deferred Compensation Fund** - accounts for contributions and earnings by employees who participate in the plan.

Account Groups

The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and sales taxes are susceptible to accrual.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Governmental Funds (Continued)

Revenues (Continued)

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees who elect to be paid over twelve months are accrued at June 30.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Fiduciary Funds

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the School Board holds for others in an agency capacity.

D. BUDGETS

The School Board uses the following budget practices:

- | | |
|--------------------------|--------------------|
| 1. Date budget published | August 18, 1995 |
| Date budget available | August 18, 1995 |
| Date of Public Hearing | September 12, 1995 |
| Date budget adopted | September 12, 1995 |
2. Appropriations (unexpended budget balances) lapse at year end.
 3. Encumbrances are not recognized within the accounting records for budgetary control purposes.
 4. All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.
 5. Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. Two revisions were made during the year ended June 30, 1996 increasing general fund revenues by \$1,389,588 and expenditures by \$1,031,812.
 6. The budget was amended after the close of the year. This is not prohibited by state law.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ENCUMBRANCES

Outstanding encumbrances lapse at year end. To the extent the Board intends to honor the purchase orders and commitments, they are disclosed in the notes to the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, except for investments in the Deferred Compensation Agency Fund, which are reported at market.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. INVENTORY

Inventory items are expensed as purchased except for inventory of the School Food Service Fund.

Inventory of the School Food Service Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are capitalized (construction period interest is capitalized). No depreciation has been provided on general fixed assets. All fixed assets are valued at cost where historical records are available and at estimated historical cost (\$20,963,225) where no historical records exist.

J. COMPENSATED ABSENCES

All 12-month employees earn from 10 days of vacation leave each year. Employees cannot accumulate more than 13 days of vacation leave. Employees are not compensated for unused vacation leave.

All School Board employees earn 10 days sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees as per LA Revised Statute R.S. 17:425 at the employees' current rate of pay and all unused sick leave is used in the retirement computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

The School Board's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. COMPENSATED ABSENCES (Continued)

- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

K. LONG-TERM OBLIGATIONS

The School Board reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. INTERFUND TRANSACTIONS (Continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. SALES TAXES

The Vernon Parish School Board has the following two sales tax ordinances:

The School Board collects a one cent parish-wide sales and use tax as authorized in a special election held January 12, 1991. In accordance with the proposition approved by the voters of the parish, the "net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the Vernon Parish School System" and for benefits of the retirees of the Vernon Parish School System.

The School Board collects a one cent parish-wide sales and use tax authorized in a special election held March 31, 1973. In accordance with the proposition approved by the voters of the parish, the "net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the Vernon Parish School System."

O. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. ADOPTION OF GASB PRONOUNCEMENTS

In September 1993, GASB issued Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" (GASB 20), which discusses the application of authoritative accounting pronouncements for proprietary accounting and other funds that use proprietary accounting.

The School Board was required to adopt GASB 20 in fiscal year 1995. GASB 20 allows the School Board to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, or to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989. The School Board has elected to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
Statement of Cash Flows
For the Year Ended June 30, 1996

Statement E

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 562,631
Adjustments to reconcile operating income to net cash provided (used) for operating activities:	
Increase (decrease) in payable	(673,650)
(Increase) decrease in receivable	<u>68,863</u>
Net cash provided (used) for operating activities	\$ (42,156)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>141</u>
 Net increase (decrease) in cash and cash equivalents	\$ (42,015)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>42,015</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 0</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.